



Province of the
EASTERN CAPE
EDUCATION

GRADE 12

BUSINESS STUDIES

PAPER 1

REVISION BOOK

2021 - 2024

Stanmorephysics

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**BUSINESS STUDIES: PAPER 1
CLASSIFICATION OF SUBTOPICS ACCORDING TO MAIN TOPICS
ANNEXTURE A**

1. BUSINESS ENVIRONMENTS	2. BUSINESS OPERATIONS	TERM
1.1. Macro environment: Impact of recent legislation on business	2.1 Human Resource function	1
1.2 Macro environment: Business strategies	2.2 Quality of performance	2
1.3 Business sectors and their environments		



SECTION A

SECTION A is a **COMPULSORY QUESTION** and the **TOTAL MARK is 30**. The sub-questions of Section A are: QUESTION 1.1 (5 X 2) (10), QUESTION 1.2 (5 X 2) (10) and QUESTION 1.3 (5 X 2) (10)

Multiple-choice, matching, choosing the correct concept/terminology, etc. (short and objective questions):

These questions require thorough knowledge of Business Studies and you should be able to exercise logic and good insight.

Read and analyse the statement carefully. Thereafter, study the alternatives carefully and eliminate the incorrect options. Review the remaining possible answers and choose the correct one.

Multiple-choice Questions (MCQs). When writing formal test and examination you are expected to answer 5 questions for two marks each (5 x 2) (10) marks

TIPS ON HOW TO ANSWER MULTIPLE CHOICE QUESTIONS

- Read through the statements and all the options.
- Underline the key words in the statement.
- Cross out the options that are definitely wrong.
- Read through the statement again and select the most appropriate option from the options remaining.
- Write down your answer and move to the next question
- **DO NOT GUESS YOUR ANSWERS**, go back to the questions you were not sure of at the end of the paper if there is time left.

QUESTION 1.1

Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D.

QUESTION 1.1 A (EC/JUNE 2021)

- 1.1.1 This Act prevents unfair marketing practices:
- A Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997)
 - B Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
 - C Labour Relations Act (LRA), 1995 (Act 66 of 1995)
 - D National Credit Act (NCA), 2005 (Act 34 of 2005)
- 1.1.2 Mega Furniture Manufacturer implemented the ... diversification strategy when they also started selling school uniforms.
- A concentric
 - B horizontal
 - C conglomerate
 - D forward
- 1.1.3 Mpho Suppliers pays their employees ... their normal rate for working overtime.
- A 2 and a half of
 - B 1 and a half of
 - C double
 - D triple
- 1.1.4 The reason for the termination of an employment contract is ... when an employee decides to leave his/her job voluntarily.



- A resignation
 - B retrenchment
 - C restructuring
 - D retirement
- 1.1.5 A small group of voluntary workers that meets regularly to discuss quality-related matters in the workplace:
- A Employee representatives
 - B Quality managers
 - C Shop stewards
 - D Quality circles

(5 x 2) (10)

Question 1.1 B (DBE SC/NSC /2020)

- 1.1.1 This Act compels businesses to display the prices of all goods and services:
- A Consumer Protection Act, 2008 (Act 68 of 2008)
 - B National Credit Act (NCA), 2005 (Act 34 of 2005)
 - C Compensation for Occupational Injuries and Diseases Amendment Act (COIDA), 1997 (Act 61 of 1997)
 - D Skills Development Act, 1998 (Act 97 of 1998)
- 1.1.2 Smooth Milkshakes implemented the ... diversification strategy when they added fruit shakes to their existing menu.
- A vertical
 - B horizontal
 - C concentric
 - D conglomerate
- 1.1.3 Zuko Transport operates in the ... sector as they specialise in delivery services.
- A secondary
 - B primary
 - C economic
 - D tertiary
- 1.1.4 Angela Construction facilitates the training of its employees on a regular basis. This is an example of ... as a TQM element.
- A continuous skills development
 - B adequate financing and capacity
 - C monitoring and evaluation of quality processes
 - D continuous improvement to processes and systems
- 1.1.5 This function is responsible for the release of positive press statements in order to boost the image of the business:
- A Purchasing
 - B Public relations
 - C Marketing
 - D General management

(5 x 2) (10)

QUESTION 1.1 C (DBE EXEMPLAR SC/NSC /2020)

- 1.1.1 This Act regulates the implementation of affirmative action when businesses make new appointments:
- A Consumer Protection Act, 2008 (Act 68 of 2008)
 - B Employment Equity Act, 1998 (Act 55 of 1998)
 - C Broad-Based Black Economic Empowerment Act, 2003



(Act 53 of 2003)

- D Labour Relations Act, 1995 (Act 66 of 1995)
- 1.1.2 Teddy Car Manufacturers implemented the ... integration strategy when they bought Tail Motors Spares.
- A horizontal
 - B intensive
 - C forward
 - D backward
- 1.1.3 ABC Paints operate in the ... sector as they specialise in the manufacturing of paint.
- A secondary
 - B primary
 - C tertiary
 - D economic
- 1.1.4 The process of matching a new employee's skills and abilities with the requirements of a job is known as ...
- A training.
 - B selection.
 - C placement.
 - D recruitment.
- 1.1.5 Businesses use quality ... to direct key processes so that the correct quality standards are met.
- A control
 - B management systems
 - C assurance
 - D performance

(5 x 2)

(10)

QUESTION 1.1 D (EC/SEPTEMBER 2020)

- 1.1.1 This Act allows consumers access to debt counselling:
- A Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997)
 - B Consumer Protection Act (CPA), 2008 (Act 68 of 2008)
 - C Labour Relations Act (LRA), 1995 (Act 66 of 1995)
 - D National Credit Act (NCA), 2005 (Act 34 of 2005)
- 1.1.2 Andile Leather Bags gives a written warranty for durable products. This consumer right is referred to as the right to ...
- A fair/honest dealings.
 - B fair value/good quality and safety.
 - C fair/just reasonable terms and conditions.
 - D accountability from suppliers.
- 1.1.3 This vertical integration strategy is used when a business combines with their supplier:
- A Forward
 - B Backward
 - C Horizontal
 - D Concentric
- 1.1.4 The process of matching a new employee's skills and abilities with the requirements of a job is known as ...
- A placement.
 - B recruitment.
 - C training.
 - D selection.
- 1.1.5 The ... function ensures that all departments meet their deadlines.



- A marketing
 - B purchasing
 - C general management
 - D Production
- (5 x 2) (10)



QUESTION 1.2

TIPS ON HOW TO ANSWER ONE WORD (S) ANSWER QUESTIONS

- Ten words are given in box, 5 words are correct and 5 are very close to the correct answer (distractors)
 - Read through the statements underlining key words in the statement.
 - Read the list of words in the box.
 - Cross out the word (s) that are definitely wrong. You must be able to give the reason why the word (s) is incorrect
 - Choose the correct word (s) which correspond with each statement.
 - You must be able justify why you think the word (s) is correct.
 - DO NOT GUESS YOUR ANSWERS, go back to the statement and the list of word (s) you are not sure of at the end of the paper if there is time left.

Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question numbers (1.2.1 to 1.2.5) in the ANSWER BOOK.

QUESTION 1.2 A (EC JUNE /2021)

compulsory; BEE; purchasing; external; fringe; forward; marketing;
backward; BBBEE; internal

- 1.2.1 The ... vertical integration strategy is used when a business combines with the distributor of their product.
 - 1.2.2 The ... is an Act that is enforced and encourages a wider group of previously disadvantaged people to participate in the economy.
 - 1.2.3 Daylight Incorporated used ... recruitment when they advertised a position for a new production manager in the local newspaper.
 - 1.2.4 The ... function maintains optimum stock levels to avoid stock-outs.
 - 1.2.5 Jokes Ltd offers cellphone allowances as a ... benefit to attract new employees.
- (5 x 2) (10)

QUESTION 1.2 B (DBE SC/NSC /2020)

Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question numbers (1.2.1 to 1.2.5) in the ANSWER BOOK.

director general; administration; unemployment insurance fund; PESTLE;
National Credit Act; SWOT; SETAs; housing allowance; purchasing; National
Credit Regulator

- 1.2.1 The role of ... is to draw up skills development plans for their specific economic sector.
 - 1.2.2 Businesses that offer goods on credit are required to register with the ...
 - 1.2.3 Parkview Consultants compiled a ... analysis to investigate the reasons for poor management in the business.
 - 1.2.4 Odwa is entitled to ... as a compulsory benefit.
 - 1.2.5 The production manager works closely with the ... manager in order to buy the correct quality of raw materials.
- (5 x 2) (10)



QUESTION 1.2 C (DBE EXEMPLAR SC/NSC /2020)

Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question numbers (1.2.1 to 1.2.5) in the ANSWER BOOK.

management by facts; business plan; recruitment; administration; divestiture; marketing; strategy; liquidation; selection; continuous improvement to processes and systems

- 1.2.1 Denise Enterprises used ... as part of a defensive strategy when they stopped operating and sold all their assets to pay off debts.
- 1.2.2 The plan of action used by businesses to deal with their long term challenges is known as a ...
- 1.2.3 A job advertisement is placed in the appropriate media during the ... process.
- 1.2.4 The ... function is responsible for making reliable information available to management on time.
- 1.2.5 The TQM element of ... includes the application of the PDCA model.

(5 x 2) (10)

QUESTION 1.2 D (EC/SEPTEMBER 2020)

Complete the following statements by using the word(s) in the list below. Write only the word(s) next to the question numbers (1.2.1 to 1.2.5) in the ANSWER BOOK.

quality assurance; Consumer Protection; management control; tertiary; Compensation for Occupational Injuries and Diseases; job analysis; secondary; quality control; ownership; human resources function

- 1.2.1 Mandy's Courier Services operates in the ... sector as they specialise in rendering transport services to other businesses and individuals.
- 1.2.2 The ... Act compels businesses to contribute monthly towards the Compensation Fund.
- 1.2.3 Epic Traders has appointed black people in senior executive positions. Hereby they apply the ... pillar of the BBBEE Act.
- 1.2.4 The ... refers to the components of the job description and the job specification of a position.
- 1.2.5 Walter Clothing Manufacturer uses ... when inspection is carried out during and after the production process to ensure that the required standards have been met at every stage of the process.

(5 x 2) (10)

QUESTION 1.3

TIPS ON HOW TO ANSWER MATCHING THE COLUMNS QUESTIONS

- Five (5) descriptions in Column B are correct and the other 5 descriptions are wrong but very close to the correct answer. The other wrong options are called distractors and can mislead you if you are not sure about the right answer. You should be able to justify why each option is correct /incorrect.
- Read through the entire list of concepts in Column A and all the descriptions in Column B.
- Cross out the options that are definitely wrong. This is the elimination process.
- Read through each statement again in Column A and find the best match in Column B.
- Start by matching options which are correct, then go back to the ones that you are not sure of. You must be able to justify why you think the option is correct. If you think the option is wrong justify your answer.
- Tick off the answers in Column B in pencil so that you can identify the one that has already been chosen
- DO NOT GUESS YOUR ANSWERS, go back to the questions you are not sure of at the end of the paper if there is time left.

QUESTION 1.3 A (EC JUNE /2021)

Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g., 1.3.6 K.


COLUMN A		COLUMN B	
1.3.1	SWOT analysis	A	process during which preliminary interviews are conducted to identify suitable applicants
1.3.2	National Skills Development Strategy	B	analyse the external environment of a business
1.3.3	Market development	C	provides for a system of credits that learners receive when they complete learnerships
1.3.4	Placement	D	inspection carried out during and after the production process to ensure that required standards have been met at every stage of the process
1.3.5	Quality control	E	businesses introduce new products into existing markets
		F	analyse the internal and external environment of the business
		G	process of matching a new employee's skills and abilities with the requirements of a job
		H	provides career guidance and training centres
		I	businesses aim to sell its existing products in new markets
		J	inspection of the final product to ensure that it meets the required standards

(5 x 2) (10)

QUESTION 1.3 B (DBE SC/NSC /2020)

Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	Market penetration	A	the human resource manager must allow employees to join trade unions of their choice
1.3.2	Learnership	B	identify the vacancy before interviews are conducted
1.3.3	Employment Equity Act	C	businesses aim to sell its existing products to new markets
1.3.4	Interviewer	D	the training opportunity that requires employees to only attend external practical courses
1.3.5	Total Quality Management	E	businesses focus on selling existing products to existing markets at lower prices

	<p>F aims at satisfying the needs of consumers beyond their expectations</p> <p>G the training opportunity that can lead to a recognised occupational qualification</p> <p>H the human resource manager must implement affirmative action when making appointments</p> <p>I develop a core set of questions based on skills required</p> <p>J requires management to focus only on continuous improvement to business processes</p>
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(5 x 2)

(10)

QUESTION 1.3 C (DBE EXEMPLAR SC/NSC /2020)

Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	Learnerships	A	process of monitoring business activities and measuring performance
1.3.2	Public relations function	B	measures the quality of the final product
1.3.3	National Skills Development Strategy	C	provides training material for facilitators
1.3.4	Total quality management	D	conduct research about employees' needs
1.3.5	Strategy evaluation	E	lead to a formal qualification linked to a specific trade
		F	improves access to training programmes
		G	process of developing and implementing the strategy
		H	requires learners to have a matric certificate as a minimum requirement for entry
		I	aims at ensuring that customers' needs are satisfied beyond their expectations
		J	releases regular, positive press statements about the business


(5 x 2)

(10)

QUESTION 1.3 D (EC/SEPTEMBER 2020)

Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, e.g. 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	BBBEE	A	an agreement between the employer and employee that is legally binding
1.3.2	National Skills Development Strategy	B	provides access to training programmes

1.3.3 Recruitment	C a policy that benefits only a few previously disadvantaged people in the economy
1.3.4 Employment contract	D the ability to measure the specified standards of each department
1.3.5 Quality	E provides access to training programmes
	F an Act that is enforced and encourages a wider group of previously disadvantaged people to participate in the economy
	G provides training material for facilitators
	H an agreement between the employer, employee and trade union that is legally binding
	I the ability of goods/services to meet the specific needs of customers
	J the process whereby a business identifies a vacancy and attracts suitable candidates for the position
	(5 x 2) (10)

SOLUTIONS TO SECTION A PAPER 1 QUESTIONS
QUESTION 1.1

QUESTION 1.1 A (EC JUNE 2021)

- 1.1.1 B ✓✓
- 1.1.2 C ✓✓
- 1.1.3 B ✓✓
- 1.1.4 A ✓✓
- 1.1.5 D ✓✓

QUESTION 1.1 B (DBE SC/NSC /2020)

- 1.1.1 A ✓✓
- 1.1.2 C ✓✓
- 1.1.3 D ✓✓
- 1.1.4 A ✓✓
- 1.1.5 B ✓✓

(5 x 2) (10)

QUESTION 1.1 C (DBE EXEMPLAR SC/NSC /2020)

- 1.1.1 B ✓✓
- 1.1.2 D ✓✓
- 1.1.3 A ✓✓
- 1.1.4 C ✓✓
- 1.1.5 B ✓✓

(5 x 2) (10)

(QUESTION 1.1 D (EC/SEPTEMBER 2020)

- 1.1.1 D ✓✓
- 1.1.2 B ✓✓
- 1.1.3 B ✓✓
- 1.1.4 A ✓✓
- 1.1.5 C ✓✓



(5 x 2) (10)

QUESTION 1.2

QUESTION 1.2 A (EC JUNE 2021)

- 1.2.1 forward ✓✓
- 1.2.2 BBBEE ✓✓

- 1.2.3 external ✓✓
- 1.2.4 purchasing ✓✓
- 1.2.5 fringe ✓✓ (5 x 2) (10)

QUESTION 1.2 B (DBE SC/NSC /2020)

- 1.2.1 SETAs ✓✓
- 1.2.2 National Credit Regulator ✓✓
- 1.2.3 SWOT ✓✓
- 1.2.4 unemployment insurance fund ✓✓
- 1.2.5 purchasing ✓✓ (5 x 2) (10)

QUESTION 1.2 C (DBE EXEMPLAR SC/NSC /2020)

- 1.2.1 liquidation ✓✓
- 1.2.2 strategy ✓✓
- 1.2.3 recruitment ✓✓
- 1.2.4 administration ✓✓
- 1.2.5 continuous improvement to processes and systems ✓✓ (5 x 2) (10)

(QUESTION 1.2 D (EC/SEPTEMBER 2020)

- 1.2.1 tertiary ✓✓
- 1.2.2 Compensation for Occupational Injuries and Diseases ✓✓
- 1.2.3 management control ✓✓
- 1.2.4 job analysis ✓✓
- 1.2.5 quality assurance ✓✓ (5 x 2) (10)

QUESTION 1.3

QUESTION 1.3 A (EC JUNE 2021)

- 1.3.1 F ✓✓
- 1.3.2 H ✓✓
- 1.3.3 I ✓✓
- 1.3.4 G ✓✓
- 1.3.5 J ✓✓ (5 x 2) (10)

QUESTION 1.3 B (DBE SC/NSC /2020)

- 1.3.1 E ✓✓
- 1.3.2 G ✓✓
- 1.3.3 H ✓✓
- 1.3.4 I ✓✓
- 1.3.5 F ✓✓ (5 x 2) (10)

QUESTION 1.3 C (DBE EXEMPLAR SC/NSC /2020)

- 1.3.1 E ✓✓
- 1.3.2 J ✓✓
- 1.3.3 F ✓✓
- 1.3.4 I ✓✓
- 1.3.5 A ✓✓ (5 x 2) (10)

QUESTION 1.3 D (EC/SEPTEMBER 2020)

- 1.3.1 F ✓✓
- 1.3.2 E ✓✓
- 1.3.3 J ✓✓
- 1.3.4 A ✓✓
- 1.3.5 I ✓✓ (5 x 2) (10)



SECTION B

IN THE EXAMINATION, SECTION B CONSISTS OF **THREE QUESTIONS**. YOU WILL BE REQUIRED TO **ANSWER ANY TWO** OF THE THREE QUESTIONS IN THIS SECTION.

TIPS ON HOW TO ANSWER CASE STUDIES/ SCENARIOS OR DATA RESPONSE QUESTIONS.

- Look at the heading and the scenarios to get an idea of what the case study is about.
- Read through the case study/statements carefully and slowly with understanding.
- Read each question and underline the keywords/ verbs.
- Read the scenario/case study again and underline each of the keywords in the scenario/case study, Quotations from the scenario must be in full sentence.
- Incomplete sentences may lead to part mark, 1 mark instead of 2 marks
- Now answer the questions, pay special attention to action verbs, e.g., **Identify** the ACT.
- Look at the mark allocation as a guide on how many facts should be included in your answer.
- There must be a link on Differentiation questions e.g., Difference between leadership and management.
- Always show formula when answering calculation questions e.g., calculation of average clause



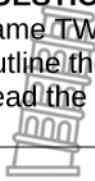
QUESTION 2: BUSINESS ENVIRONMENTS

You will be required to answer ANY TWO questions in this section.

NOTE: Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, e.g. QUESTION 2 on a new page, QUESTION 3 on a NEW page

QUESTION 2 A: BUSINESS ENVIRONMENTS (EC JUNE /2021)

- 2.1 Name TWO types of business sectors.(2)
- 2.2 Outline the steps in strategy evaluation.(6)
- 2.3 Read the scenario below and answer the questions that follow



MAJEED & FARZEEN MANUFACTURERS (MFM)

Majeed & Farzeen Manufacturers specialises in the manufacturing of clothing. They have seen a decrease in sales due to strong competition and are struggling. Majeed is suggesting that they should sell some of the business’s assets, while Farzeen seem to think they should rather sell all the assets to pay off their business debt.

Identify the type of defensive strategy suggested by Majeed and Farzeen. Motivate your answer by quoting from the scenario above. (6)
Use the table below as a GUIDE to answer QUESTION 2.3.

	TYPE OF DEFENSIVE STRATEGY	MOTIVATION
Majeed		
Farzeen		

- 2.4 Explain how the economic factor as a PESTLE element may pose challenges to businesses. (4)
- 2.5 Read the scenario below and answer the questions that follow.

CLOUD CONSTRUCTION (CC)

Cloud Construction specialises in the construction of buildings. The business allows regular assessment of the workplace by inspectors in order to determine the level of risk their workers are exposed to. They are also registered with CETA (Construction SETA).

- 2.51 Identify TWO acts that CC is complying with. Motivate your answer by quoting from the scenario above. (6)
Use the table below as a GUIDE to answer QUESTION 2.5.1.

ACT	MOTIVATION
1.	
2.	

- 2.5.2 Outline the role of SETAs. (8)
- 2.6 Suggest ways in which businesses may apply the following pillars of BBBEE in the workplace:
 - 2.6.1 Management control (4)
 - 2.6.2 Enterprise and supplier development (4)



[40]

QUESTION 2 B: BUSINESS ENVIRONMENTS (DBE SC/NSC /2020)

- 2.1 Name any TWO types of integration strategies. (2)
- 2.2 Outline the steps in strategy evaluation. (6)
- 2.3 Read the scenario below and answer the questions that follow.

GERALD TRADING ENTERPRISE (GTE)

GTE could not export their products to other countries during the forced lockdown period. Some of their essential employees requested to work from home due to the negative impact of the COVID-19 pandemic. Sally Manufacturers delayed the distribution of personal protective equipment to GTE.

Use the table below as a GUIDE to answer QUESTIONS 2.3.1 to 2.3.3.

CHALLENGES 2.3.1	BUSINESS ENVIRONMENTS 2.3.2	EXTENT OF CONTROL 2.3.3
1.		
2.		
3.		

- 2.3.1 Quote THREE challenges for GTE from the scenario above. (3)
- 2.3.2 Classify GTE's challenges according to the THREE business environments. (3)
- 2.3.3 State the extent of control GTE has over EACH business environment named in QUESTION 2.3.2. (3)
- 2.4 Explain the implications of the following Broad-Based Black Economic Empowerment Act (BBBEE) pillars for businesses:
 - 2.4.1 Management control (4)
 - 2.4.2 Skills development (4)
- 2.5 Read the scenario below and answer the questions that follow.

CINDY BOTTLE SUPPLIERS (CBS)

Martha, an employee at Cindy Bottle Suppliers, was unfairly dismissed for late coming due to road closures because of a service delivery protest. She referred the matter to the Commission for Conciliation, Mediation and Arbitration (CCMA) as she was not happy with her dismissal.

- 2.5.1 Identify the Act that is applicable to CBS. Motivate your answer by quoting from the scenario above. (3)
- 2.5.2 Explain other actions that could be regarded as discriminatory according to the Act identified in QUESTION 2.5.1.
- 2.6 Recommend ways in which businesses could deal with challenges that are posed by the following PESTLE factors:
 - 2.6.1 Technological (4)
 - 2.6.2 Environmental (4)



[40]

QUESTION 2 C: BUSINESS ENVIRONMENTS (DBE EXEMPLAR SC/NSC /2020)

- 2.1 Name any TWO types of diversification strategies. (2)
- 2.2 Outline the role of SETAs in supporting the Skills Development Act (SDA), 1998 (Act 97 of 1998). (8)

- 2.3 Identify the leave provision stipulated in the Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) that Quick Shoe Manufacturers complied with in EACH statement below:
 - 2.3.1 Ruth, the secretary, was allowed to stay home for four consecutive months after her baby was born.
 - 2.3.2 Ashley, the supervisor, is entitled to take up to 21 days leave per year
 - 2.3.3 John, the financial clerk, was given permission to take three to five days off work to attend to his sick mother. (6)
- 2.4 Explain how businesses could apply the following forces of the Porter's Five Forces Model to analyse their position in the market environment:
 - 2.4.1 Bargaining power of buyers/Power of buyers (4)
 - 2.4.2 Competitive rivalry/Power of competitors (4)
- 2.5 Read the scenario below and answer the questions that follow.

MARTHA & JANE FURNITURE (MJF)

Martha & Jane Furniture specialises in selling office furniture. The profitability of the business has decreased due to the high inflation rate. MJF had to pay a heavy fine because they did not renew their trading license in time.

- 2.5.1 Quote TWO challenges from the scenario above that MJF have to deal with. (2)
 - 2.5.2 Classify EACH challenge identified in QUESTION 2.5.1 according to the relevant PESTLE factor. (4)
 - 2.5.3 Recommend ONE way in which MJF can deal with EACH challenge, as identified in QUESTION 2.5.1.
- Use the table below as a GUIDE to answer QUESTION 2.5.

CHALLENGES 2.5.1	PESTLE FACTOR (2.5.2)	RECOMMENDATION 2.5.3
1.		
2.		

(4)

- 2.6 Suggest THREE practical ways in which businesses can comply with the National Credit Act (NCA), 2005 (Act 34 of 2005). (6)

[40]

BUSINESS OPERATIONS

QUESTION 3 A: BUSINESS OPERATIONS (EC/JUNE 2021)

- 3.1 Name FOUR aspects included in an employment contract (4)
- 3.2 Read the scenario below and answer the questions that follow

SUPER SNACKS (SS)

Super Snacks appointed Sue as the new marketing manager. As part of the induction programme she was given a tour of the business premises and also received information about their products. The management at SS are aware of all the benefits of a good induction programme.

- 3.2.1 Identify the TWO aspects that SS included in their induction programme from the scenario above. (2)
- 3.2.2 Explain the benefits of induction for businesses. (6)
- 3.3 Differentiate between job description and job specification. (8)
- 3.4 Read the scenario below and answer the questions that follow.

FUMA FURNITURE (FF)

Fuma Furniture is a large business that specialises in the manufacturing of furniture. Customers are always requested to provide feedback about their products. They also allow for quality control checks and procedures at key production point to ensure high quality standards.

- 3.4.1 Identify TWO total quality management (TQM) elements applied by Fuma Furniture. Motivate your answer by quoting from the scenario above. (6)
Use the table below as a GUIDE to answer QUESTION 3.4.1.

TQM ELEMENT	MOTIVATION
1.	
2.	

- 3.4.2 Recommend ways in which TQM can reduce the cost of quality. (4)
3.5 Distinguish between quality management and quality performance. (4)
3.6 Analyse the impact of continuous improvement to processes and system as a TQM element on large businesses. (6)

[40]

QUESTION 3 B: BUSINESS OPERATIONS (DBE SC/NSC /2020)

- 3.1 Name any TWO aspects that should be included in an employment contract. (2)
3.2 Elaborate on the difference between piecemeal and time-related salary determination methods. (4)
3.3 Explain the reasons for the termination of an employment contract. (6)
3.4 Read the scenario below and answer the questions that follow.

IKUSASA TRADING LTD (ITL)

Ikusasa Trading Ltd recently advertised the position for a financial manager on their notice board in order to find a suitable candidate.

- 3.4.1 Name the recruitment method used by ITL in the scenario above. (2)
3.4.2 Discuss the impact of the recruitment method stated in QUESTION 3.4.1 on businesses. (6)
3.5 Outline TWO benefits of a good quality management system. (4)
3.6 Explain the quality indicators of the financial function. (4)
3.7 Read the scenario below and answer the question that follows.

EXCEL CARPET MANUFACTURERS (ECM)

Excel Carpet Manufacturers check the quality of their carpets during and after the production process. The chief executive officer (CEO) of ECM uses different techniques to improve the quality of their product.

Identify TWO quality concepts that are applicable to ECM. Motivate your answer by quoting from the scenario above.
Use the table below as a GUIDE to answer QUESTION 3.7

QUALITY CONCEPTS	MOTIVATION
1.	
2.	

- 3.8 Evaluate the impact of total client/customer satisfaction on large businesses as a total quality management (TQM) element. (6)

QUESTION 3 C: BUSINESS OPERATIONS (DBE EXEMPLAR SC/NSC /2020)

- 3.1 State FOUR aspects that should be included in an employment contract. (4)
- 3.2 Outline the purpose of induction as a human resources activity. (6)
- 3.3 Discuss TWO salary determination methods that employers may use to determine the wages of their employees. (6)
- 3.4 Read the scenario below and answer the question that follows.

ELZETTE TRADERS (ET)

Elzette invited five suitable candidates to attend an interview. Candidates were allocated the same amount of time. Elzette recorded all the candidates' responses. All candidates showed confidence. Some candidates asked clarity-seeking questions.

Quote from the scenario above the role of the interviewer and interviewees /candidates during the interview.

Use the table below as a GUIDE to answer QUESTION 3.4.

ROLE	QUOTES
Interviewer/Elzette	1. 2.
Interviewees/Candidates	1. 2.

(4)

- 3.5 Explain the impact of TQM if it is poorly implemented by businesses. (6)
- 3.6 Read the scenario below and answer the questions that follow

EXCLUSIVE CLOTHING ENTERPRISE (ECE)

Zinhle is the owner of Exclusive Clothing Enterprise. She was requested to share ideas on how she maintains the high quality standards of her products. She indicated that her employees are trained on a regular basis. Time and resources are also used efficiently

- 3.6.1 Quote TWO benefits of a good quality management system from the scenario above. (2)
- 3.6.2 Explain to Zinhle other benefits of a good quality management system. (6)
- 3.7 Suggest ways in which TQM can reduce the cost of quality. (6)

MISCELLANEOUS TOPICS

QUESTION 4 A: BUSINESS ENVIRONMENTS (EC/JUNE 2021)

- 4.1 List the THREE business environments and state the extent of control that businesses have over EACH environment. (6)

Use the table below as a GUIDE to answer QUESTION 4.4.1.

BUSINESS ENVIRONMENT	EXTENT OF CONTROL
1.	
2.	
3	

- 4.2 Identify the element of Porter's five forces model that applies to Milky Milk in EACH of the following statements:

- 4.2.1 Branded Bottles is the only place from where Milky Milk can buy their plastic bottles.
- 4.2.2 Strawberry Milks attracts more customers than Milky Milk. (4)
- 4.3 Explain the advantages of intensive strategies for businesses. (6)
- 4.4 Recommend TWO ways in which businesses can comply with the National Credit Act (NCA), 2005 (Act 34 of 2005). (4)

BUSINESS OPERATIONS

- 4.5 Mention any FOUR quality indicators of the marketing function. (4)
- 4.6 Read the scenario below and answer the questions that follow.

EXPO SUITCASES (ES)

Expo Suitcases manufacture and distribute suitcases in the Eastern Cape. Recently they implemented a quality management system which resulted in increased customer satisfaction. Their image also improved as there are less returns.

- 4.6.1 Identify TWO advantages of a good quality management system from the scenario above. (2)
- 4.6.2 Describe any other TWO advantages of a good quality management system. (4)
- 4.7 Explain the difference between piece meal and time-related salary determination methods. (4)
- 4.8 Evaluate the impact of fringe benefits to businesses. (6)

QUESTION 4 B: BUSINESS ENVIRONMENTS (DBE SC/NSC /2020)

- 4.1 State any FOUR consumer rights as stipulated in the National Credit Act (NCA), 2005 (Act 34 of 2005). (4)
- 4.2 Identify the force of Porter's Five Forces model that applies to Louisa's Hair Salon in EACH statement below:
 - 4.2.1 Lwazi opened a new hair salon across the street offering services at lower prices than Louisa's Hair Salon.
 - 4.2.2 Louisa's Hair Salon is highly profitable and attracts many new entrepreneurs to enter this market. (4)
- 4.3 Explain TWO types of defensive strategies. (6)
- 4.4 Read the scenario below and answer the questions that follow.

MAJEED CONSTRUCTION (MC)

Majeed Construction ensures that accidents and illnesses that occur in the workplace are reported immediately

- 4.4.1 Identify the Act that is applicable to the scenario above. (2)
- 4.4.2 Advise the management of MC on any other TWO ways in which they can comply with the Act identified in QUESTION 4.4.1. (4)

BUSINESS OPERATIONS

- 4.5 You have appointed a new employee who needs to be inducted.
 - 4.5.1 State TWO aspects that should be included in an induction programme. (2)
 - 4.5.2 Outline the benefits of induction for businesses. (4)
- 4.6 Explain the placement procedure as a human resource activity. (4)
- 4.7 Read the scenario below and answer the questions that follow.

PETER SHOES LIMITED (PSL)

The management of Peter Shoes Limited continuously improves on their processes and systems. Management always requests quality circles to investigate problems that relate to poor-quality products. Quality circles also increase productivity through regular reviewing of quality processes.

- 4.7.1 Quote TWO roles of quality circles as part of the continuous improvement to processes and systems in the scenario above. (2)
- 4.7.2 Explain other roles of quality circles as part of the continuous improvement to processes and systems. (4)
- 4.8 Suggest ways in which total quality management (TQM) can reduce the cost of quality.(4)

[40]

QUESTION 4 C: MISCELLANEOUS TOPICS (DBE EXEMPLAR SC/NSC /2020)

BUSINESS ENVIRONMENTS

- 4.1 Identify the consumer right that is implemented by Carlio Ltd in EACH statement below:
 - 4.1.1 The salesperson allows customers to shop around for the best price.
 - 4.1.2 Management does not share personal information of their employees with clients.
 - 4.1.3 Customers are charged the same price for the same goods/services in different areas. (6)
- 4.2 Name THREE types of business environments and state the extent of control businesses have over EACH of these environments

Use the table below as a GUIDE to answer QUESTION 4.2.

BUSINESS ENVIRONMENT	EXTENT OF CONTROL
1.	
2.	
3	

(6)

- 4.3 Read the scenario below and answer the questions that follow.

Businesses are compelled to ensure that employees work in a safe environment and that workplace injuries are reported

- 4.3.1 Identify the Act that is applicable to the scenario above. (2)
- 4.3.2 Advise businesses on actions that could be regarded as discriminatory, with reference to the Act identified in QUESTION 4.3.1. (6)

BUSINESS OPERATIONS

- 4.4 Name TWO sources of internal recruitment. (2)
- 4.5. Explain the selection procedure as a human resource activity. (8)
- 4.6 Read the scenario below and answer the questions that follow.

PURPLE ENTERPRISES (PE)

Purple Enterprises is a large retail business that provides a variety of products. They prepare their own accounting records to ensure accurate tax payments. PE responded quickly when one of their clients was not happy with their service. PE wants to use the quality circles to improve their processes and systems.

- 4.6.1 Identify TWO business functions that are applicable to PE. Motivate your answer by quoting from the scenario above

Use the table below as a GUIDE to answer QUESTION 4.6.1

	BUSINESS FUNCTIONS	MOTIVATION
1.		
2.		

(6)

- 4.6.2 Advise PE on the importance of quality circles as part of continuous improvement of processes and systems for a business. (4)

[40]

SOLUTIONS TO SECTION B PAPER 1 QUESTIONS

BUSINESS ENVIRONMENT

QUESTION 2 A: BUSINESS ENVIRONMENTS (EC/JUNE 2021)

- 2.1 **Business sector**

- Primary ✓
- Secondary ✓
- Tertiary ✓

NOTE: Mark the first TWO (2) only. (2 x 1)

(2)

- 2.2 **Steps in strategy evaluation**

- Examine the underlying basis of a business strategy. ✓✓
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected performance with the actual performance. ✓✓
- Measure the business performance in order to determine the reasons for deviations and analyse these reasons. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up a table of the advantages and disadvantages of a strategy. ✓✓
- Decide on the desired outcome. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓
- Any other relevant answer related to steps in strategy evaluation.

NOTE: Accept steps in any order.

Max.

(6)

- 2.3 **Types of defensive strategies**

	TYPE OF DEFENSIVE STRATEGY	MOTIVATION
Majeed	Divestiture/Divestment ✓✓	Majeed is suggesting that they should sell some of the business's assets ✓
Farzeen	Liquidation ✓✓	Farzeen seem to think they should rather sell all the assets to pay off their business debt. ✓
	Sub-max. (4)	Sub-max. (2)

NOTE: 1. Award marks for the type of defensive even if the quote is incomplete.
2. Do not award marks for the motivation, if the type of defensive strategy was incorrectly identified.

Max.

(6)

- 2.4 **Economic factor of PESTLE posing challenges to businesses**

- High inflation/Interest rate may decrease the market share of businesses ✓ as customers cannot afford high prices ✓/Increase in taxes will result ✓ in lower customer spending. ✓
- Loans may be expensive ✓ due to high interest rates. ✓
- Fluctuations in foreign currency ✓ may restrict imports. ✓
- Any other relevant answer related to how the economic factor as a PESTLE element may pose a challenge to businesses.

Max. (4)

2.5 **Legislation**

2.5.1 **Acts**

ACT	MOTIVATION
1.COIDA/Compensation for Occupational Injuries and Diseases Act ✓✓	The business allows regular assessment of the workplace by inspectors in order to determine the level of risk their workers are exposed to. ✓
2.SDA/Skills Development Act ✓✓	They are also registered with CETA (Construction SETA). ✓
Sub-max. (4)	Sub-max. (2)

NOTE: 1. Award marks for the Act even if the quote is incomplete.
2. Do not award marks for the motivation, if the Act was incorrectly identified.

Max. (6)

2.5.2 **Role of SETAs**

- Develop sector skills plans in line with the National Skills Development Strategy. ✓✓
- Draw up skills development plans for their specific economic sectors. ✓✓
- Approve workplace skills plans and annual training reports. ✓✓
- Allocate grants to employers, education and training providers. ✓✓
- Pay out grants to companies that are complying with the requirements of the Skills Development Act. ✓✓
- Monitor/Evaluate the actual training by service providers. ✓✓
- Promote and establish learnerships. ✓✓
- Register learnership agreements/learning programmes. ✓✓
- Provide training material/programmes for skills development facilitators. ✓✓
- Provide accreditation for skills development facilitators. ✓✓
- Oversee training in different sectors of the South African economy. ✓✓
- Identify suitable workplaces for practical work experience. ✓✓
- Collect levies and pay out grants as required. ✓✓
- Report to the Director-general. ✓✓
- Any other relevant answer related to the role of SETAs in supporting the SDA.

Max. (8)

2.6 **Ways businesses apply pillars of BBBEE in the workplace**

2.6.1 **Management control**

- Business must ensure that transformation is implemented at all levels. ✓✓
- Appoint black people in senior executive positions/to management. ✓✓
- Involve black people in the decision-making processes. ✓✓
- Ensure that black females are represented in management. ✓✓
- Businesses score points in both management and ownership when selling more than 25% of their shares to black investors so that some of them can become directors. ✓✓

- Due to a shortage of skilled black managers/directors, some businesses find it difficult to make appointments. ✓✓
- Businesses are directly penalised for not implementing this pillar. ✓✓
- Any other relevant answer related to ways in which businesses may apply management control as a pillar of BBBEE in the workplace.

Max. (4)

2.6.2 Enterprise and supplier development

- Business must create jobs as ESD promotes local manufacturing. ✓✓
- Businesses are encouraged to invest/support black owned SMMEs. ✓✓
- Contribution can be monetary, e.g. loans/investments/donations. ✓✓
- Contribution can be non-monetary, e.g. consulting services/advice/entrepreneurial programmes, etc. ✓✓
- Outsource services to suppliers that are BBBEE compliant. ✓✓
- Identify black owned suppliers that are able to supply goods and services. ✓✓
- Develop the business skills of small/black-owned suppliers, e.g. sales techniques, legal advice, etc. ✓✓
- Support the cash flow of small suppliers by offering them preferential terms of payment. ✓✓
- Businesses should invest in/support black-owned SMMEs. ✓✓
- SMMEs will be encouraged to use their own business initiatives to make them sustainable. ✓✓
- Develop and implement a supplier development plan/supply chain. ✓✓
- Small/Large businesses may not be able to afford enterprise development investment/support. ✓✓
- Black owned SMMEs may become too reliant on support from other businesses/unable to take their own initiatives. ✓✓
- BBBEE suppliers may be without good workmanship. ✓✓
- Smaller businesses that are not BBBEE compliant lose business. ✓✓
- Businesses are forced to choose from a smaller pool of suppliers. ✓✓
- Any other relevant answer related to ways in which businesses may apply enterprise and supplier development as a pillar of BBBEE in the workplace.

Max.

(4)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	6
2.3	6
2.4	4
2.5.1	6
2.5.2	8
2.6	8
TOTAL	40

QUESTION 2 B: BUSINESS ENVIRONMENTS (DBE SC/NSC /2020)

2.1 Types of integration strategies

- Forward vertical ✓
- Backward vertical ✓
- Horizontal ✓

NOTE: Mark the first TWO (2) only.

(2 x 1) (2)

2.2 Steps in strategy evaluation

- Examine the underlying basis of a business strategy.√√
- Look forward and backwards into the implementation process.√√
- Compare the expected performance with the actual performance.√√
- Measure the business performance in order to determine the reasons for deviations and analyse these reasons.√√
- Take corrective action so that deviations may be corrected.√√
- Set specific dates for control and follow up.√√
- Draw up a table of the advantages and disadvantages of a strategy.√√
- Decide on the desired outcome.√√
- Consider the impact of the strategic implementation in the internal and external environments of the business.√√
- Any other relevant answer related to the steps in strategy evaluation.

NOTE: Accept steps in any order.

Max

(6)

2.3 Challenges of business environments and the extent of control

CHALLENGES 2.3.1	BUSINESS ENVIRONMENTS 2.3.2	EXTENT OF CONTROL 2.3.3
1.GTE could not export their products to other countries during the forced lockdown period.√	Macro√	No control√
2. Some of their essential employees requested to work from home due to the negative impact of the Covid-19 pandemic.√	Micro/Macro√	Full control/No control√
Sally Manufacturers delayed the distribution of personal protective equipment to GTE.√	Market√	Partial/Some/Limited/ Less/Little control√
Submax (3)	Submax (3)	Submax (3)

- NOTE: 1. Mark the first challenge for each environment only.**
2. If the business environment is not linked to the challenge, mark the challenge only.
3. Award full marks for the business environment even if the challenge is not quoted in full.
4. The extent of control must be linked to the business environment.
5. Do not award marks for the extent of control if the business environment is not mentioned.
6. Accept responses in any order.

Max

(9)

2.4 Implications of management control and skills development as BBEE pillars for businesses

2.4.1 Management control

- Businesses must ensure that transformation is implemented√ at all levels.√
- Appoint black people√ in senior executive positions/to management.√
- Involve black people√ in the strategic decision making processes.√
- Ensure that black females are represented√ in management.√
- Businesses score points in management when selling more than 25 % of their shares√ to black investors so that some of them can become directors.√

- Due to a shortage of skilled black managers/directors[√], some businesses find it difficult to make appointments.[√]
- Businesses are directly penalised[√] for not implementing this pillar.[√]
- Any other relevant answer related to the implication of management control as a BBBEE pillar for businesses.

Max (4)

2.4.2 Skills development

- Businesses must engage black employees[√] in skills development initiatives.[√]
- Provide learnerships/Learning programmes[√] to black employees.[√]
- Business must contribute 1% of their payroll[√] to fund the skills development programmes.[√]
- Businesses could benefit from the increased[√] pool of skilled/trained workers.[√]
- Businesses must go the extra mile to train staff[√] where learnerships are not offered.[√]
- Productivity is compromised as mentors/coaches have to find the time[√] to participate in learnerships/training.[√]
- Any other relevant answer related to the implications of skills development as a BBBEE pillar for businesses.

Max (4)

2.5 Legislation

2.5.1 Labour Relations Act/LRA^{√√} (2)

Motivation

Martha, an employee at Cindy Bottle Suppliers, was unfairly dismissed for late coming due to road closures because of a service delivery protest/She referred the matter to the Commission for Conciliation, Mediation and Arbitration (CCMA) as she was not happy with her dismissal. [√] (1)

NOTE: Do not award marks for the motivation if the Act was incorrectly identified.

Max (3)

2.5.2 Other actions regarded as discriminatory according to the LRA

- Preventing employees[√] from joining trade unions.[√]
- Refusing the establishment[√] of workplace forums.[√]
- Forcing employees to give up[√] trade union membership.[√]
- Not allowing employees[√] to take part in legal strikes.[√]/Not adhering to the right of employees[√] to strike when legalised.[√]
- Cancellation of employees' contract by a new employer[√] when a business is sold.[√]
- Refusing to give workplace forum members time off[√] with pay for attending meetings during working hours.[√]
- Refusing leave to trade union representatives[√] to attend trade union activities.[√]
- Breaching of collective agreements/resolution mechanisms[√] by employer/employee.[√]
- Any other relevant answer related to other actions that could be regarded as discriminatory according to the LRA.

NOTE: 1. Do not award marks for responses that were quoted from the scenario in QUESTION 2.5.1.

2. Accept relevant facts if the Act was incorrectly identified as an answer in QUESTION 2.5.1.

Max (4)

2.6 Ways in which businesses could deal with challenges posed by the technological and environmental factors of the PESTLE analysis

2.6.1 Technological

- Continuous research on the latest available technology/equipment in the market. ✓✓
- Train existing/appoint new employees to maintain/use new equipment. ✓✓
- Compare prices/Select suitable suppliers for new equipment at reasonable prices. ✓✓
- Businesses must be geared for online trading/e-commerce. ✓✓
- Any other relevant answer related to ways in which businesses could deal with the technological challenges as a PESTLE factor.

Max (4)

2.6.2 **Environmental**

- Chemicals/Ingredients should be clearly indicated on labels/packaging to inform customers about possible side effects/correct use of products. ✓✓
- Implement cost effective measures to dispose medical waste. ✓✓
- Implement recycling measures to prevent pollution of the environment/Use packaging that is re-usable/recyclable. ✓✓
- Any other relevant answer related to ways in which businesses could deal with the environmental challenges as a PESTLE factor.

Max (4)
[40]

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	6
2.3.1	3
2.3.2	3
2.3.3	3
2.4.1	4
2.4.2	4
2.5.1	3
2.5.2	4
2.6.1	4
2.6.2	4
TOTAL	40

QUESTION 2 C: BUSINESS ENVIRONMENT (DBE EXEMPLAR SC/NSC /2020)

2.1 **Types of diversification strategies**

- Concentric ✓
- Horizontal ✓
- Conglomerate ✓

NOTE: Mark the first TWO (2) only. (2 x 1) (2)

2.2 **Role of SETAs**

- Develop sector skills plans in line with the National Skills Development Strategy. ✓✓
- Draw up skills development plans for their specific economic sectors. ✓✓
- Approve workplace skills plans and annual training reports. ✓✓
- Allocate grants to employers, education and training providers. ✓✓
- Pay out grants to companies that are complying with the requirements of the Skills Development Act. ✓✓
- Monitor/Evaluate the actual training by service providers. ✓✓
- Promote and establish learnerships. ✓✓
- Register learnership agreements/learning programmes. ✓✓
- Provide training material/programmes for skills development facilitators. ✓✓
- Provide accreditation for skills development facilitators. ✓✓

- Oversee training in different sectors of the South African economy.√√
- Identify suitable workplaces for practical work experience.√√
- Collect levies and pay out grants as required.√√
- Report to the Director General.√√
- Any other relevant answer related to the role of SETAs in supporting the SDA.

Max (8)

2.3 Provisions of leave

2.3.1 Maternity√√

2.3.2 Annual√√

2.3.3 Family responsibility√√ (6)

2.4 Porter's Five Forces Model

- 2.4.1
- Assess how easy it is for buyers/customers√ to drive prices down.√
 - Determine the number of buyers/the importance of each buyer to the business√ and the cost of switching to other products.√
 - A few powerful buyers√ are often able to dictate their terms to the business.√
 - Buyers buying in bulk can bargain for prices√ in their favour√.
 - If buyers can do without the business's products√ then they have more power to determine the prices and terms of sale.√
 - Conduct market research√ to gather more information about its buyers.√
 - Any other relevant answer related to how businesses could apply the bargaining power of buyers/power of buyers to analyse the market environment.

Max (4)


2.4.2 Competitive rivalry/Power of competitors

- Competitors selling the same/similar products/services√ may have a greater impact on the market of the business.√
- If competitors have a unique product/service√, then they will have greater power.√
- A business with many competitors in the same market√ has very little power in their market.√
- Draw up a competitor's profile√ so that they can determine their own strength as well as that of competitors.√
- Some businesses have necessary resources to start price wars√ and continue selling at a loss until some/all competitors leave the market.√
- Any other relevant answer related to how businesses could apply competitive rivalry/power of competitors to analyse the market environment.

Max (4)

2.5 PESTLE ANALYSIS

CHALLENGE (2.5.1)	PESTLE FACTOR (2.5.2)	RECOMMENDATION (2.5.3)
1. The profitability of the business has decreased due to the high inflation rate.√	Economic√√	<ul style="list-style-type: none"> • Consider decreasing profit margins rather than increasing product prices.√√ • Cut down on unnecessary spending.√√ • Any other relevant recommendation related to how MJF can deal with the high inflation rate as an economic challenge.

<p>2. MJF had to pay a heavy fine because they did not renew their trading license in time. ✓</p> 	<p>Legal/Legislation ✓✓</p>	<p>Submax (2)</p> <ul style="list-style-type: none"> • Renew the trading licence on time. ✓✓ • Review the administrative clerk's job description. ✓✓ • Diarise the renewal date and follow up with the administrative clerk. ✓✓ • Any other relevant recommendation related to how MJF can deal with the renewal of a trading licence as a legal challenge. <p>Submax (2)</p>
<p>Max (2)</p>	<p>Max (4)</p>	<p>Max (4)</p>

NOTE: .1.The answer does not have to be in tabular format.

2. Do not award marks for challenges that are not fully quoted from the scenario.
3. Do not award marks for PESTLE factors if they are not linked to the challenges.
4. Award marks for the PESTLE factors even if the quote is incomplete.
5. The recommendation must be linked to the challenge.
6. The challenge may be in any order.

2.6 **Practical ways in which businesses can comply with the National Credit Act/NCA**

- Businesses/credit providers should be registered with the National Credit Regulator. ✓✓
- Offer applicants pre-agreement statements. ✓✓
- Disclose all costs of a loan/No hidden costs should be charged/added. ✓✓
- Obtain credit records/checks of clients before granting loans. ✓✓
- Submit an annual compliance report to the National Credit Regulator. ✓✓
- Conduct affordability assessment to ensure the consumer has the ability to meet his/her obligation. ✓✓
- Conduct credit check with a registered credit bureau and consult with National Credit Register. ✓✓
- Businesses must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA). ✓✓
- Credit providers must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA). ✓✓
- Verify the identity of clients, report suspicious transactions/train staff on their obligations in terms of FICA. ✓✓
- Any other relevant answer related to practical ways in which businesses can comply with NCA.

NOTE: Mark the first THREE (3) only.

(3 x 2)

(6)

BREAKDOWN OF MARKS

QUESTION 2	MARKS
2.1	2
2.2	8
2.3	6

2.4	8
2.5.1	2
2.5.2	4
2.5.3	4
2.6	6
TOTAL	40



BUSINESS OPERATIONS

QUESTION 3 A: BUSINESS OPERATIONS (EC/JUNE 2021)

3.1 Aspects in an employment contract

- Personal details of the employee. ✓
- Details of the business/employer e.g. name/address, ✓ etc.
- Job title/Position ✓
- Job description e.g. duties / working conditions. ✓
- Job specification e.g. formal qualifications / willingness to travel. ✓
- Date of employment/commencement of employment. ✓
- Place where employee will spend most of his/her working time. ✓
- Hours of work, e.g. normal time/overtime. ✓
- Remuneration, e.g. weekly or monthly pay. ✓
- Benefits/Fringe benefits/Perks/Allowances. ✓
- Leave, e.g. sick/maternity/annual/adoption leave. ✓
- Employee deductions (compulsory/non-compulsory). ✓
- Period of contract/Details of termination. ✓
- Probation period. ✓
- Signatures of both the employer and employee. ✓
- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics. ✓
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour. ✓
- Any other relevant answer related to aspects that should be included in an employment contract.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

3.2 Induction

3.2.1 Aspects included in induction programme from the scenario

- a tour of the business premises ✓
 - information about their products. ✓
- NOTE: Mark the first TWO (2) only.**

(2 x 1) (2)

3.2.2 Benefits of induction for businesses

- Increases quality ✓ of performance/productivity. ✓
- Allows new employees to settle in quickly ✓ and work effectively. ✓
- Ensures that new employees understand rules and restrictions ✓ in the business. ✓
- The results obtained during the induction process ✓ provide a base for focused training. ✓
- Minimises the need for on-going training ✓ and development. ✓
- New employees may establish relationships ✓ with fellow employees at different levels. ✓
- Employees will be familiar with organisational structures, ✓ e.g. who are their supervisors/low level managers. ✓



- Opportunities are created for new employees ✓ to experience/explore different departments. ✓
- New employees will understand ✓ their role/responsibilities concerning safety regulations and rules. ✓
- New employees will know the layout of the building/factory/offices/where everything is, ✓ which saves production time. ✓
- Learn more about the business ✓ so that new employees understand their roles/responsibilities in order to be more efficient. ✓
- Make new employees feel at ease in the workplace, ✓ which reduces anxiety/insecurity/fear. ✓
- Company policies are communicated, ✓ regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/ leave. ✓
- Realistic expectations for new employees ✓ as well as the business are created. ✓
- New employees may feel part of the team ✓ resulting in positive morale and motivation. ✓
- Employees may have a better understanding of business policies ✓ regarding ethical/professional conduct/procedures/CSR, ✓ etc.
- Any other relevant answer related to the benefits of induction.

Max.

(6)

3.3 Differences between job description and job specification

JOB DESCRIPTION	JOB SPECIFICATION
- Describes duties/responsibilities ✓ of a specific job ✓ /Summary ✓ of the nature/type of the job. ✓	-Describes the minimum acceptable personal qualities/skills/qualifications ✓ needed for the job. ✓
- Written description of the job ✓ and its requirements. ✓	-Written description of specific qualifications/skills/experience ✓ needed for the job. ✓
- Describes key performance areas tasks for a specific job ✓ e.g. job title/duties/ working conditions/locations of the place of work/ relationship of the job with other jobs in the business, ✓ etc.	-Describes key requirements for the person who will fill the position, ✓ e.g. formal qualifications/willingness to travel/work unusual hours, ✓ etc.
-Any other relevant answer related to job description	-Any other relevant answer related to job specification
Sub-max. (4)	Sub-max. (4)

- NOTE: 1. The answer does not have to be in a tabular format**
2. The differences do not have to link, but must be clear.
3. Award a maximum of FOUR (4) marks if the differences are not clear/Mark either job description or job specification only.

Max.

(8)

3.4 TQM

3.4.1 TQM elements

TQM ELEMENT	MOTIVATION
1. Total client/customer satisfaction ✓✓	-Customers are always requested to provide feedback about their products. ✓
- Written description of the job ✓ and its requirements. ✓	-Written description of specific

	qualifications/skills/experience ✓ needed for the job. ✓
2. Monitoring and evaluation of quality processes ✓✓	-They also allow for quality control checks and procedures at key production point to ensure high quality standards. ✓
Sub-max. (4)	Sub-max. (2)

NOTE: 1. Award marks for the TQM element even if the quote is incomplete.

2. Do not award marks for the motivation, if the TQM element was incorrectly identified.

Max.

(6)

3.4.2 Ways in which TQM can reduce the cost of quality

- Introduce quality circles to discuss ways of improving the quality of work/workmanship. ✓✓
- Schedule activities to eliminate duplication of tasks. ✓✓
- Share responsibility for quality output amongst management and workers. ✓✓
- Train employees at all levels, so that everyone understands their role in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/inputs. ✓✓
- Improve communication about quality challenges/deviations, so that everyone can learn from experience. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

Max.

(4)

3.5 Distinction between quality management and quality performance

QUALITY MANAGEMENT	QUALITY PERFORMANCE
-Techniques/tools ✓ used to design/improve the quality of a product. ✓	-Total performance of each department measured ✓ against the specified standards. ✓
- Can be used for accountability ✓ within each of the business functions. ✓	-Can be obtained if all sections/ departments work together ✓ towards the same quality standards. ✓
-Aims to ensure that the quality of goods/services ✓ is consistent ✓ /Focuses on the means ✓ to achieve consistency. ✓	- Quality is measured ✓ through physical product/statistical output of processes/surveys of the users and/or buyers of goods/services. ✓
-Any other relevant answer related to quality management.	-Any other relevant answer related to quality performance.
Sub-max. (2)	Sub-max. (2)

NOTE: 1. The answer does not have to be in a tabular format

2. The distinction does not have to link, but must be clear.

3. Award a maximum of TWO (2) marks if the distinction is not clear/Mark either quality management or quality performance.

Max.

(4)

**3.6 Impact of continuous improvement to processes and system on large businesses
Positives/Advantages**

- Large businesses have more resources ✓ to check on quality performance in each unit. ✓
- Enough capital resources are available for new equipment ✓ required for processes and systems. ✓
- Large businesses have a person dedicated ✓ to the improvement of processes and systems. ✓
- Willing to take risk on/try new processes and systems ✓ because they are able to absorb the impact of losing money. ✓
- They can afford to use the services of the quality circles, ✓ to stay ahead of their competitors. ✓
- Any other relevant answer related to the positives/advantages of continuous improvement to processes and systems on large businesses.

AND/OR

Negatives/Disadvantages

- Large scale manufacturing ✓ can complicate quality control. ✓
- Systems and processes take time and effort to be implemented in large businesses ✓ as communication/buy-in/distrust may delay the implementation process. ✓
- Face the of risk in changing parts of the business ✓ that are actually working well. ✓
- Not all negative feedback from employees and customers is going to be accurate, ✓ which may result in incorrect/unnecessary changes to systems and processes. ✓
- Any other relevant answer related to the negatives/disadvantages of continuous improvement to processes and systems on large businesses.

Max.

(6)

[40]

BREAKDOWN OF MARKS

QUESTION	QUESTION 2	MARKS	MARKS
2.1	3.1	2	4
2.2	3.2.1	6	2
2.3	3.2.2	6	6
2.4	3.3	4	8
2.5.1	3.4.1	6	6
2.5.2	3.4.2	8	6
2.6	3.5	8	4
TOTAL	3.6	40	6
TOTAL			40

QUESTION 3 B: BUSINESS OPERATIONS (DBE SC/NSC /2020)

3.1 Aspects that should be included in an employment contract

- Personal details of the employee. ✓
- Details of the business/employer e.g. name/address ✓, etc.
- Job title/Position. ✓
- Job description e.g. duties/working conditions. ✓
- Job specification e.g. formal qualifications/willingness to travel. ✓
- Date of employment/commencement of employment. ✓
- Place where the employee will spend most of his/her working time. ✓
- Hours of work, e.g. normal time/overtime. ✓
- Remuneration, e.g. weekly or monthly pay. ✓
- Benefits/Fringe benefits/Perks/Allowances. ✓
- Leave, e.g. sick/maternity/annual/adoption leave. ✓
- Employee deductions (compulsory/non-compulsory). ✓

- Period of contract/Details of termination. ✓
- Probation period. ✓
- Signatures of both the employer and employee. ✓
- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics. ✓
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour. ✓
- Any other relevant answer related to aspects that should be included in an employment contract.



NOTE: Mark the first TWO (2) only. (2 x 1) (2)

3.2 **Difference between piecemeal and time-related salary determination methods**

PIECEMEAL	TIME-RELATED
- Workers are paid according to the number✓ of items/units produced /action performed.✓	-Workers are paid according to the amount of time/hours✓ they spend at work/on a task.✓
- Workers are not remunerated for the number of hours worked,✓ regardless of how long it takes them to make the items.✓	- Workers with the same Experience /qualifications✓ are paid on salary scales regardless of the amount of work done.✓
- Mostly used in factories✓ particularly in the textile/technology industries.✓	- Many private and public sector businesses✓ use this method.✓
- Any other relevant answer related to piecemeal as a salary determination method.	-Any other relevant answer related to time-related as a salary determination method.
Sub-max. (2)	Sub-max. (2)

- NOTE: 1. The answer does not have to be in tabular format.
 2. The difference does not have to link, but must be clear.
 3. Award a maximum of TWO (2) marks if the difference is not clear/Mark either piecemeal or time-related salary determination methods only.**

Max (4)

3.3 **Reasons for the termination of an employment contract**

- The employer may dismiss an employee for valid reason(s)✓, e.g. unsatisfactory job performance, misconduct✓, etc.
- Employer may no longer have work✓ for redundant employees/cannot fulfil the contract/is restructuring. ✓
- The employer may retrench✓ some employees due to insolvency✓/may not be able to pay✓ the employees. ✓
- Employees decided to leave✓ by resigning voluntarily for better job opportunities.✓
- An employee may have reached the pre-determined age✓ for retirement.✓
- Incapacity to work✓ due to illness/injuries.✓
- The duration of the employment contract✓ expires/comes to an end✓.
- By mutual agreement✓ between the employer and employee. ✓
- Any other relevant answer related to the reasons for the termination of an employment contract.

Max (6)

3.4 **Recruitment**

3.4.1 **Type of recruitment from the scenario**

Internal recruitment✓✓



(2)

3.4.2 **Impact of internal recruitment on businesses**

Positives/Advantages

- Cheaper/Quicker to fill✓ the post.✓

- Placement is easy✓, as management knows the employees' skills/personality/experience/strengths.✓
- Provides opportunities for career paths✓ within the business.✓
- The employee already has an understanding of how the business operates✓, induction/training is not always necessary. ✓
- Reduces the chances of losing employees✓, as future career prospects are available. ✓
- Detailed, reliable information can be obtained✓ from the supervisors/employee records.✓
- Any other relevant answer related to the positive impact/advantages of internal recruitment on businesses.

AND/OR

Negatives/Disadvantages

- Current employees may not bring new ideas✓ into the business. ✓
- Promoting a current employee may cause resentment✓ amongst other employees. ✓
- Promotion may disrupt business operations ✓ as it creates open vacancies that need to be filled. ✓
- The number of applicants is limited✓ to current staff only.✓
- Employees who do not really have the required skills for the new job✓ may be promoted.✓
- Current employees may need to be trained/developed✓ before they can be promoted, which can be expensive.✓
- Staff that is not promoted may feel demotivated✓ which may hamper productivity.✓
- Any other relevant answer related to the negative impact/disadvantages of internal recruitment on businesses.

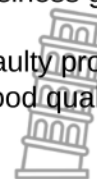
NOTE: Accept relevant facts if the recruitment method was incorrectly identified as an answer in QUESTION 3.4.1.

Max (6)

3.5 Benefits of a good quality management system

- Effective customer services will be rendered, resulting in increased customer satisfaction.✓✓
- Time and resources are also used efficiently.✓✓
- Productivity increases through proper time management and using high quality resources.✓✓
- Products/Services are constantly improving.✓✓
- Vision and mission/Business goals may be achieved.✓✓
- The business may achieve a competitive advantage over its competitors.✓✓
- Regular training will continuously improve the quality of employees' skills/knowledge.✓✓
- Employers and employees will have a healthy working relationship which generally results in happy workers.✓✓
- Increased market share/profitability may result in business growth/expansion.✓✓
- Improved business image, as there is less defects/faulty products/returns. ✓✓
- Any other relevant answer related to benefits of a good quality management system.

NOTE: Mark the first TWO (2) only.



(2 × 2)

(4)

3.6 Quality indicators of the financial function

- Obtain capital✓ from the most suitable/available/reliable sources.✓
- Negotiate better interest rates✓ in order to keep financial cost down.✓

- Draw up budgets✓ to ensure sufficient application of monetary resources.✓
 - Keep financial records up to date✓ to ensure timely/accurate tax payments.✓
 - Analyse strategies✓ to increase profitability.✓
 - Invest surplus funds✓ to create sources of passive income. ✓
 - Implement financial control measures/systems✓ to prevent fraud. ✓
 - Implement credit granting/debt collecting policies✓ to monitor cash flow.✓
 - Draw up accurate financial statements✓ timeously/regularly.✓
 - Accurately analyse and interpret✓ financial information.✓
 - Invest in strategies that will assist the business✓ to remain profitable.✓
 - Avoid over/under-capitalisation✓ so that financial resources will be utilised effectively.✓
 - Any other relevant answers related to the quality indicators of the financial function.
- Max

(4)

3.7 **Quality concepts from the scenario**

QUALITY CONCEPTS	MOTIVATIONS
1. Quality assurance✓✓	- Excel Carpet Manufacturers checks the quality of their carpets during and after the production process.✓
2. Quality management✓✓	- The chief executive officer (CEO) of ECM uses different techniques to improve on the quality of their product.✓
Sub-max. (4)	Sub-max. (2)

- NOTE:**
1. The answer does not have to be in tabular format.
 2. Award marks for the quality concepts even if the quotes were incomplete.
 3. Do not award marks for the motivations if the quality concepts were incorrectly identified.

Max

(6)

3.8 **Impact of total client/customer satisfaction as a TQM element on large businesses**

Positives/Advantages

- Large businesses use market research/customer surveys✓ to measure/monitor customer satisfaction/analyse customers' needs.✓
- Continuously promote✓ a positive company image.✓
- May achieve a state of total client/customer satisfaction✓, if businesses follow sound business practices that incorporate all stakeholders.✓
- Strive to understand and fulfil customer expectations✓ by aligning cross-functional teams across critical processes.✓
- Ensures that cross-functional teams understand their core competencies✓ and develop/strengthen it.✓
- May lead to higher customer retention/loyalty✓ and businesses may be able to charge higher prices.✓
- Large businesses may be able to gain access✓ to the global market.✓
- May lead to increased ✓ competitiveness/profitability.✓
- Any other relevant answer related to the positive impact/advantages of total client/customer satisfaction as a TQM element on large businesses.

AND/OR

Negatives/Disadvantages

- Employees who seldom come into contact with customers✓ often do not have a clear idea of what will satisfy their needs. ✓
- Monopolistic companies have an increased bargaining power✓ so they do not necessarily have to please customers. ✓

- Not all employees may be involved /committed√ to total client/customer satisfaction.√
- Any other relevant answer related to the negative impact/disadvantages of total client/customer satisfaction as a TQM element on large businesses. Max

(6)
[40]



BREAKDOWN OF MARKS

QUESTION 2	MARKS
3.1	2
3.2	4
3.3	6
3.4.1	2
3.4.2	6
3.5	4
3.6	4
3.7	6
3.8	6
TOTAL	40

QUESTION 3 C: BUSINESS OPERATIONS (DBE EXEMPLAR SC/NSC /2020)

3.1 **Aspects that should be included in an employment contract**

- Personal details of the employee.√
- Details of the business/employer, e.g. name/address√, etc.
- Job title/Position.√
- Job description.√
- Job specification.√
- Date of employment/commencement of employment.√
- Place where employee will spend most of his/her working time.√
- Hours of work, e.g. normal time/overtime.√
- Remuneration, e.g. weekly or monthly pay.√
- Benefits/Fringe benefits/Perks/Allowances.√
- Leave, e.g. sick/maternity/annual/adoption leave.√
- Employee deductions (compulsory/non-compulsory).√
- Period of contract/Details of termination.√
- Probation period.√
- Signatures of both the employer and employee.√
- List of documents that form part of the contract, e.g. appointment letter/code of conduct/ethics.√
- Disciplinary policy, e.g. rules and disciplinary procedure for unacceptable behaviour.√
- Any other relevant answer related to the aspects that should be included in an employment contract.

NOTE: 1. Mark the first FOUR (4) only.

2. Allocate a maximum of ONE (1) mark for each aspect when examples are used.

(4 x 1)

3.2 **Purpose of induction as a human resources activity**

- Introduce new employees to management/colleagues to establish relationships with fellow colleagues at different levels.√√
- Create opportunities for new employees to experience/explore different departments.√√
- Explain safety regulations and rules, so that new employees will understand their role/responsibilities in this regard.√√



(4)

- Communicate information about the products/services.√√
 - Allow new employees the opportunity to ask questions that will put them at ease/reduce insecurity/anxiety/fear.√√
 - Make new employees feel welcome by introducing them to their physical work space.√√
 - Give new employees a tour/information about the layout of the building/office.√√
 - Improve skills through in-service training.√√
 - Familiarise new employees with the organisational structure/their supervisors.√√
 - Ensure that employees understand their roles/responsibilities so that they will be more efficient/productive.√√
 - Communicate business policies regarding ethical/professional conduct/procedures/ employment contract/conditions of employment√√, etc.
 - Any other relevant answer related to the purpose of induction as a human resources activity.
- Max (6)

3.3 **Salary determination methods**

Piecemeal √√

- Workers are paid according to the number of items/ units produced /action performed. √
- Workers are not remunerated for the number of hours worked, regardless of how long it takes them to make the items√
- Mostly used in factories particularly in the textile/technology industries. √
- Any other relevant answer related to piecemeal as a salary determination method.

Method (2)
Discussion (1)
Submax (3)

Time-related√√

- Workers are paid for the amount of time they spend at work/on a task. √
- Workers with the same experience/qualifications are paid on salary scales regardless of the amount of work done. √
- Many private and public sector businesses use this method √
- Any other relevant answer related to time-related as a salary determination method

Method (2)
Discussion (1)
Submax (3)

NOTE: Mark the first TWO (2) only.

Max (6)

3.4 **Role of the interviewer and interviewee/applicant from the scenario**

ROPLE	QUOTES
Interviewer/Elzette	1. Candidates were allocated the same amount of time.√ 2. Elzette recorded all candidates' responses.√
	Submax (2)
Interviewee/Candidates	1. All candidates showed confidence.√ 2. Some candidates asked clarity-seeking questions.√
	Submax (2)

NOTE: Only award marks for responses that are quoted from the scenario.

Max

(4)

3.5 **Impact of TQM if poorly implemented by businesses**

- Setting unrealistic deadlines√ that may not be achieved.√

- Employees may not be adequately trained[√] resulting in poor quality products.[√]
- Decline in productivity[√], because of stoppages.[√]
- Businesses may not be able to make necessary changes of products/services[√] to satisfy the needs of customers.[√]
- Business reputation/image may suffer[√] because of poor quality/defective goods.[√]
- Customers will have many alternatives to choose from[√] and the impact could be devastating to businesses.[√]
- Investors might withdraw investment[√], if there is a decline in profits.[√]
- Decline in sales[√] as more goods are returned by unhappy customers.[√]
- High staff turnover[√], because of poor skills development.[√]
- Undocumented/Uncontrolled quality control systems/processes[√] could result in errors/ deviations from pre-set quality standards.[√]
- Any other relevant answer related to the impact of TQM if poorly implemented by businesses.

Max (6)

3.6 Total Quality Management

3.6.1 Benefits of a good quality management system from the scenario

- She indicated that her employees are trained on a regular basis.[√]
 - Time and resources are also used efficiently.[√]
- NOTE: 1. Mark the first TWO (2) only.
2. Only award marks for responses that are quoted from the scenario.

(2 x 1) (2)

3.6.2 Other benefits of a good quality management system

- Effective customer services will be rendered[√], resulting in increased customer satisfaction.[√]
- Productivity increases through proper time management[√] and using high quality resources.[√]
- Products/Services are constantly[√] improving.[√]
- Vision and mission/Business goals[√] may be achieved.[√]
- The business may achieve a competitive advantage[√] over its competitors.[√]
- Employers and employees will have a healthy working relationship[√] which generally results in happy workers.[√]
- Increased market share/profitability may result[√] in business growth/expansion.[√]
- Improved business image[√], as there is less defects/faulty products/returns.[√]
- Any other relevant answer related to other benefits of a good quality management system.

NOTE: Do not award marks for responses quoted in QUESTION 3.6.1.

Max (6)

3.7 Ways in which TQM can reduce the cost of quality

- Introduce quality circles/small teams of five to ten employees, who meet regularly to discuss ways of improving the quality of their work.^{√√}
- Schedule activities to eliminate duplication of tasks/activities.^{√√}
- Share responsibility for quality output between management and workers.^{√√}
- Train employees at all levels, so that everyone understands their role in quality management.^{√√}
- Develop work systems that empower employees to find new ways of improving quality.^{√√}
- Work closely with suppliers to improve the quality of raw materials/ inputs.^{√√}
- Improve communication about the quality challenges/deviations, so that everyone can learn from past experiences.^{√√}
- Reduce investment on expensive, but ineffective inspection procedures in the

- production process.√√
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns.√√
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.



Max

(6)
[40]

BREAKDOWN OF MARKS

QUESTION 3	MARKS
3.1	4
3.2	6
3.3	6
3.4	4
3.5	6
3.6.1	2
3.6.2	6
3.7	6
TOTAL	40

MISCELLANEOUS TOPICS

QUESTION 4 BUSINESS ENVIRONMENTS (EC/JUNE 2021)

4.1 **Business environments and extent of control**

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1. Micro environment √	Full control √
2. Market environment √	Partial/Some/Limited/Less/Little control √
3. Macro environment √	No control √
Sub-max. (3)	Sub-max. (3)

- NOTE: 1. Mark the first THREE (3) only.
 2. The answer does not have to be in tabular format.
 3. Award marks for the business environment even if the extent of control is not indicated/incorrect.
 4. The extent of control must be linked to the business environment.

Max. (6)

4.2 **Porter's five forces model**

4.2.1 Power of suppliers √√

4.2.2 Power of competitors/Competitive rivalry √√

(4)

4.3 **Advantages of intensive strategies**

- Increased market share √ reduces the business's vulnerability to actions of competitors. √
- Increase in sales/income/profitability √ due to variety of advertising campaigns. √
- Improved service delivery √ may improve a business's image. √
- Businesses may have more control √ over the prices of products/services. √
- Gain customer loyalty √ through effective promotion campaigns. √
- Decrease in prices √ may influence customers to buy more products. √
- Regular sales to existing customers √ may increase. √
- Eliminate competitors √ and dominate market prices. √
- Enables the business to focus on markets/well researched quality products √ that satisfy the needs of customers. √

- Any other relevant answer related to the advantages of intensive strategies for businesses.

Max. (6)

4.4 **Ways in which businesses can comply with the NCA**

- Offer applicants pre-agreement statements. ✓✓
- Disclose all costs of loan/No hidden costs should be charged/added. ✓✓
- Obtain credit records/checks of clients before granting loans. ✓✓
- Businesses should be registered with the National Credit Regulator. ✓✓
- Submit an annual compliance report to the National Credit Regulator. ✓✓
- Conduct affordability assessment to ensure the consumer has the ability to meet his/her obligation. ✓✓
- Conduct credit check with a registered credit bureau and consult with National Credit Register. ✓✓
- Businesses must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA). ✓✓
- Credit providers must have procedures in place to comply with the provision of the Financial Intelligence Centre Act (FICA). ✓✓
- Verify the identity of clients, report suspicious transactions/train staff on their obligations in terms of FICA. ✓✓
- Any other relevant answer related to the ways in which businesses can comply with the NCA.

NOTE: Mark the first TWO (2) only.

Max. (4)

BUSINESS OPERATIONS

4.5 **Quality indicators of marketing function**

- Acquire a greater market share through good customer service. ✓
- Win customers' loyalty by satisfying their needs and wants/building positive relationships. ✓
- Adhere to ethical advertising practices when promoting products and services. ✓
- Identify competitive edge and conduct regular market research. ✓
- Differentiate products to increase the target market/ profitability. ✓
- Communicate effectively with customers to get their feedback about their experiences of the products and services sold. ✓
- Ensure that the production and advertising strategies are aligned. ✓
- Use pricing techniques to ensure a competitive advantage. ✓
- Measure the gaps between customer expectations and their actual experiences so that problems regarding quality of products can be diagnosed and addressed. ✓
- Make adjustments and changes to products and services based on feedback received from customers. ✓
- Use aggressive advertising campaigns to sustain the market share. ✓
- Any other relevant answer related to the quality indicators of the marketing function.

NOTE: Mark the first FOUR (4) only.

(4 x 1) (4)

4.6 **Quality management system**

4.6.1 **Advantages of good quality management system from the scenario**

- Recently they implemented a quality management system which resulted in increased customer satisfaction. ✓
- Their image also improved as there are less returns. ✓

NOTE: Mark the first TWO (2) only.

Max. (2)

4.6.2 **Other advantages of a good quality management system**

- Time and resources ✓ are used efficiently. ✓
- Productivity increases ✓ through proper time management/using high quality resources. ✓
- Products/Services are constantly improved ✓ resulting in increased levels of customer satisfaction. ✓
- Vision/Mission/Business goals ✓ may be achieved. ✓
- Business has a competitive advantage ✓ over its competitors. ✓
- Regular training ✓ will continuously improve the quality of employees' skills/knowledge. ✓
- Employers and employees will have a healthy working relationship ✓ resulting in happy/productive workers. ✓
- Increased market share/more customers ✓ improve profitability. ✓
- Any other relevant answer related to other advantages of a good quality management system.

NOTE: 1. Mark the first TWO (2) only.

2. Do not award marks for 'increased customer satisfaction' and 'their image improved as there are less returns' as identified in QUESTION 4.6.1.

Max. (4)

4.7

PIECE MEAL	TIME-RELATED
-Workers are paid according to the number ✓ of items/units produced/action performed. ✓	- Workers are paid for the amount of time ✓ they spend at work/on a task. ✓
-Workers are not remunerated for the number of hours worked, ✓ regardless of how long it takes them to make the items. ✓	-Workers with the same experience/qualifications are paid on salary scales ✓regardless of the amount of work done. ✓
-Mostly used in factories ✓ particularly in the textile/technology industries. ✓	- Many private and public sector businesses ✓ use this method. ✓
- Any other relevant answer related to piecemeal as a salary determination method.	-Any other relevant answer related to time-related as a salary determination method.
Sub-max. (2)	Sub-max. (2)

Differences between piece meal and time-related salary determination methods

NOTE: 1. The answer does not have to be in a tabular format

2. The distinction does not have to link, but must be clear.

3. Award a maximum of TWO (2) marks if the distinction is not clear/Mark either piece meal or time related.

Max. (4)

4.8 **Impact of fringe benefits on businesses**

Positives/Advantages

- Attractive fringe benefit packages ✓ may result in higher employee retention/reduces employee turnover. ✓
- Attracts qualified/skilled/experienced employees ✓ who may positively contribute towards the business goals/objectives. ✓
- It increases employee satisfaction/loyalty ✓ as they may be willing to go the extra mile. ✓
- Improves productivity ✓ resulting in higher profitability. ✓
- Businesses save money ✓ as benefits are tax deductible. ✓
- Fringe benefits can be used as leverage ✓ for salary negotiations. ✓
- Any other relevant answer related to the positive impact/advantages of fringe benefits on businesses.

AND/OR

Negatives/Disadvantages

- Fringe benefits are additional costs ✓ that may result in cash flow problems. ✓
- Administrative costs increase ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Decreases business profits, ✓ as incentive/package/remuneration costs are higher. ✓
- It can create conflict/lead to corruption ✓ if allocated unfairly. ✓
- Workers only stay with the business for fringe benefits, ✓ and may not be committed/loyal to the tasks/business. ✓
- Businesses who offer employees different benefit plans may create resentment ✓ to those who receive less benefit resulting in lower productivity. ✓
- Businesses who cannot offer fringe benefits ✓ fail to attract skilled workers. ✓
- Businesses have to pay advisors/attorneys ✓ to help them create benefit plans that comply with legislation. ✓
- Errors in benefit plans ✓ may lead to costly lawsuits/regulatory fines. ✓
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses.

Max.

(6)

[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	6
4.2	4
4.3	6
4.4	4
4.5	4
4.6.1	2
4.6.2	4
4.7	4
4.8	6
TOTAL	40

MISCELLANEOUS TOPICS

QUESTION 4 B: BUSINESS ENVIRONMENTS (DBE SC/NSC /2020)

4.1 **Consumer rights as stipulated in the NCA**

Consumers have a right to:

- Apply for credit and to be free from discrimination. ✓
- Obtain reasons for credit being refused. ✓
- Receive pre-agreement documentation before concluding any credit transaction. ✓
- Fair and responsible marketing. ✓
- Surrender/Return goods to the credit provider in order to settle the outstanding amount/debt. ✓
- Apply for debt review/counselling if the consumers cannot afford to repay their debts. ✓
- Receive information in plain and understandable language. ✓
- Receive documents/statements as required by the Act. ✓
- Access and challenge credit records and information. ✓
- Receive protection of their personal information. ✓
- Receive protection from being held accountable for the use of their credit facility after they reported the loss/theft. ✓

- Refuse a credit limit increase ✓
- Any other relevant answer related to the consumer rights as stipulated in the NCA.

NOTE: Mark the first FOUR (4) only.

(4 x 1)

(4)

4.2 **Porter's Five Forces from given statements**

4.2.1 The power of competitors/Competitive rivalry ✓✓

4.2.2 Threat of new entrants to the market ✓✓

(4)

4.3 **Types of defensive strategies**

Divestiture/Divestment ✓✓

- Disposing/Selling some assets/divisions that are no longer profitable/productive. ✓
- Selling off divisions/product lines with slow growth potential. ✓
- Decreasing the number of shareholders by selling ownership. ✓
- Paying off debts by selling unproductive assets. ✓
- Withdrawing their investment share in another business (divesting). ✓
- Any other relevant answer related to divestiture/divestment as a defensive strategy.

Strategy (2)

Explanation (1)

Submax (3)

Retrenchment ✓✓

- Terminating the employment contracts of employees for operational reasons. ✓
- Decreasing the number of product lines/Closing certain departments may result in some workers becoming redundant. ✓
- Any other relevant answer related to retrenchment as a defensive strategy.

Strategy (2)

Explanation (1)

Submax (3)

Liquidation ✓✓

- Selling all assets to pay creditors due to a lack of capital. ✓
- Selling the entire business in order to pay shareholders a fair price for their shares. ✓
- Allowing creditors to apply for forced liquidation in order to have their claims settled. ✓
- Any other relevant answer related to liquidation as a defensive strategy.

Strategy (2)

Explanation (1)

Submax (3)

NOTE: Mark the first TWO (2) only.

Max

(6)

4.4 **Legislation**

4.4.1 Compensation for Occupational Injuries and Diseases Act/COIDA ✓✓ (2)

4.4.2 **Other ways to comply with COIDA**

- MC should provide a healthy/safe working environment. ✓✓
- Register with the Compensation Commissioner and provide the particulars of the business. ✓✓
- Keep records of employees' income and details of work for four years. ✓✓
- Submits returns of earnings not later than 1 March annually. ✓✓
- Levies must be paid to the Compensation Fund. ✓✓

- Ensure that the premises/equipment/machinery is in good working condition. ✓✓
- Allow regular assessment of the workplace by inspectors in order to determine the level of risk their employees are exposed to. ✓✓
- Employers may not make deductions for COIDA from employees' remuneration packages. ✓✓
- MC must ensure that claims are lodged within twelve months of the date of the accident. ✓✓
- Any other relevant answer related to any other ways in which MC/businesses can comply with COIDA.

NOTE: 1. Mark the first TWO (2) only

2. Accept relevant facts if the Act was incorrectly identified as an answer in QUESTION 4.4.1

(2 x 2)

(4)

BUSINESS OPERATIONS

4.5 Human resources function

4.5.1 Aspects that should be included in an induction programme

- Safety regulations and rules. ✓
- Overview of the business. ✓
- Information about the business products/services. ✓
- Meeting with senior management who will explain the company's vision/values/job descriptions/daily tasks. ✓
- Tour of the premises. ✓
- Introduction to key people and close colleagues. ✓
- Conditions of employment, e.g. working hours/leave application process/disciplinary procedures, etc. ✓
- Administration details on systems/processes/logistics. ✓
- Discussion of the employment contract and conditions of service. ✓
- Discussion on personnel policies, e.g. making private phone calls/using the internet, etc. ✓
- Discussion on employee benefits. ✓
- Corporate social responsibility programmes. ✓
- Any other relevant answer related to aspects that should be included in an induction programme.

NOTE: Mark the first TWO (2) only. (2 x 1)

(2)

(2)

4.5.2 Benefits of induction for businesses

- Allows new employees to settle in quickly and work effectively. ✓✓
- Ensures that new employees understand rules and restrictions in the business. ✓✓
- New employees may establish relationships with fellow employees at different levels. ✓✓
- Make new employees feel at ease in the workplace, which reduces anxiety/insecurity/fear. ✓✓
- The results obtained during the induction process provide a base for focussed training. ✓✓
- Increases quality of performance/productivity. ✓✓
- Minimises the need for on-going training and development. ✓✓
- Employees will be familiar with organisational structures, e.g. who are their supervisors/low level managers. ✓✓
- Opportunities are created for new employees to experience/explore different departments. ✓✓
- New employees will understand their role/responsibilities concerning safety regulations and rules. ✓✓

- New employees will know the layout of the building/factory/offices/where everything is, which saves production time. √√
- Learn more about the business so that new employees understand their roles/ responsibilities in order to be more efficient. √√
- Company policies are communicated, regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/leave. √√
- Realistic expectations for new employees as well as the business are created. √√
- New employees may feel part of the team resulting in positive morale and motivation. √√
- Employees may have a better understanding of business policies regarding ethical/professional conduct/procedures/CSR, √√ etc.
- Reduces the staff turnover as new employees have been inducted properly. √√
- Any other relevant answer related to the benefits of induction for businesses.

Max (4)

4.6 Placement procedure

- Businesses should outline the specific responsibilities of the new position√,
- including the expectations/skills required for this position. √
- Determine the successful candidate's strengths/weaknesses/interests/skills√ by subjecting him/her to a range of psychometric tests. √
- Determine the relationship between the position√ and the competencies of the new candidate.√
- Any other relevant answer related to the placement procedure as a human resource activity.

Max (4)

4.7 Quality circles

4.7.1 Roles of quality circles as part of continuous improvement to processes and systems from the scenario

- Management always requests quality circles to investigate problems that relates to poor quality products.√
- Quality circles also increase productivity through the regular reviews of quality processes. √

NOTE: 1. Mark the first TWO (2) only.

2. Only award marks for responses that are quoted from the scenario.

(2 x 1) (2) (2)

4.7.2 Other roles of quality circles as part of continuous improvement to processes and systems

- They solve problems related to quality√ and implement improvements.√
- ensure that there is no duplication√ of activities/tasks in the workplace. √
- Monitor/Reinforce strategies√ to improve the smooth running of business operations.√
- Reduce costs of redundancy√ in the long run.√
- Contribute towards the improvement√ and development of the organisation. √
- Reduce costs/wasteful efforts√ in the long run. √
- Increase the demand√ for products/services of the business. √
- Create harmony√ and high performance in the workplace.√
- Build a healthy workplace relationship√ between the employer and employee. √
- Improve employees' loyalty and commitment√ to the business and its goals. √
- Improve employees' communication√ at all levels of the business. √

- Develop a positive attitude/sense of involvement in decision making processes ✓ of the services offered. ✓
- Any other relevant answer related to other roles of quality circles as part of continuous improvement to processes and systems.

NOTE: Do not award marks for responses that were quoted from the scenario in QUESTION 4.7.1.

4.8 **Ways in which TQM can reduce the cost of quality** Max (4)

- Introduce quality circles/small teams of five to ten employees, who meet regularly to discuss ways of improving the quality of their work. ✓✓
- Schedule activities to eliminate duplication of tasks/activities. ✓✓
- Share responsibility for quality output between management and workers. ✓✓
- Train employees at all levels, so that everyone understands their role in quality management. ✓✓
- Develop work systems that empower employees to find new ways of improving quality. ✓✓
- Work closely with suppliers to improve the quality of raw materials/ inputs. ✓✓
- Improve communication about the quality challenges/deviations, so that everyone can learn from past experiences. ✓✓
- Reduce investment on expensive, but ineffective inspection procedures in the production process. ✓✓
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns. ✓✓
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

Max (4)

[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	4
4.2	4
4.3	6
4.4.1	2
4.4.2	4
4.5.1	2
4.5.2	4
4.6	4
4.7.1	2
4.7.2	4
4.8	4
TOTAL	40

MISCELLANEOUS TOPICS

QUESTION 4 C: BUSINESS ENVIRONMENTS (DBE EXEMPLAR SC/NSC /2020)

- 4.1 **Consumer rights**
- 4.1.1 Right to choose ✓✓
- 4.1.2 Right to privacy and confidentiality ✓✓
- 4.1.3 Right to equality in the consumer market place ✓✓
- 4.2 **Business environments and extent of control**



(6)

BUSINESS ENVIRONMENTS	EXTENT OF CONTROL
1. Micro environment✓	Full control✓
2. Market environment✓	Partial/Some/Limited/Less/Little control✓
3. Macro environment✓	No control✓
Sub-max. (3)	Sub-max. (3)

NOTE: 1. Mark the first THREE (3) only.

2. The answer does not have to be in tabular format.

3. Award marks for the business environment even if the extent of control is not indicated/incorrect.

4. The extent of control must be linked to the business environment.



(6)

Max

4.3 Legislation

4.3.1 Compensation for Occupational Injuries and Diseases Act/COIDA. ✓✓

(2)

4.3.2 Discriminatory action in terms of COIDA

- Employers who bribe employees not to report the accident/injury. ✓✓
- Providing false information about previous, serious accidents/occupational diseases. ✓✓
- Employers who do not contribute to the Compensation fund. ✓✓
- Employers who do not allow claims for injuries, discriminates against injured employees. ✓✓
- Employers that take too long to process claims/delay the claiming process. ✓✓
- Compensation that is set off against any debt of the person entitled to the compensation. ✓✓
- Any other relevant answer related to actions that could be regarded as discriminatory with reference to COIDA.

Max

(6)

BUSINESS OPERATIONS

4.4 Sources of internal recruitment

- Internal e-mails/Intranet/websites to staff✓
- Word of mouth✓
- Business newsletter/circulars✓
- Internal/management referrals✓
- Notice board of the business✓
- Internal bulletins✓
- Recommendation of current employees✓
- Head hunting within the business/organisational database.✓
- Any other relevant answer related to the sources of internal recruitment.

NOTE: Mark the first TWO (2) only.

(2 x1)

(2)

4.5 Selection procedure as a human resources activity

OPTION 1

- Determine fair assessment criteria✓ on which selection will be based.✓
- Applicants must submit✓ the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications, etc.✓
- Sort the received documents/CVs✓ according to the assessment/selection criteria.✓
- Screen/Determine which applications✓ meet the minimum job requirements and separate these from the rest.✓
- Preliminary interviews are conducted✓ if many suitable applications were received.✓
- Reference checks should be made✓ to verify the contents of CV's, e.g. contact previous employers to check work experience.✓



- Compile a shortlist[√] of potential candidates identified.[√]
- Shortlisted candidates may be subjected to various types of selection tests[√] e.g. skills tests, etc.[√]
- Invite shortlisted candidates[√] for an interview.[√]
- A written offer[√] is made to the selected candidate.[√]
- Inform unsuccessful applicants[√] about the outcome of their application.[√]
- Some adverts indicate[√] the deadline for informing only successful candidates.[√]
- Any other relevant answer related to the selection procedure as a human resources activity.

OR

OPTION 2

- Receive documentation[√], e.g. application forms and sort it according to the criteria of the job.[√]
- Evaluate CVs[√] and create a shortlist/Screen the applicants.[√]
- Check information in the CVs[√] and contact references.[√]
- Conduct preliminary sifting interviews[√] to identify applicants who are not suitable for the job, although they meet all requirements.[√]
- Assess/Test candidates[√] who have applied for senior positions/to ensure the best candidate is chosen.[√]
- Conduct interviews[√] with shortlisted candidates.[√]
- Offer employment[√] in writing to the selected candidate(s).[√]
- Any other relevant answer related to the selection procedure as a human resources activity.

NOTE: The procedure can be in any order

Max

(8)

4.6 **Business functions and Quality circles**

4.6.1 **Business functions**

BUSINESS FUNCTIONS	MOTIVATION
1. Financial function ^{√√}	- They prepare their own accounting records to ensure accurate tax payments. [√]
2. Public relations function ^{√√}	- PE responded quickly when one of their clients was not happy with their service. [√]
Sub-max. (4)	Sub-max. (4)

NOTE: 1. The answer does not have to be in tabular format.

2. Award marks for the business functions even if the quotes were incomplete.

3. Do not award marks for the motivation if the business functions were incorrectly identified.

Max

(6)

4.6.2 Importance of quality circles as part of continuous improvement to processes and systems

- They solve problems related to quality and implement improvements.^{√√}
- Investigate problems and suggest solutions to management.^{√√}
- Ensures that there is no duplication of activities/tasks in the workplace.^{√√}
- Make suggestions for improving systems and processes in the workplace.^{√√}
- Improve the quality of products/services/productivity through regular reviews of quality processes.^{√√}
- Monitor/Reinforce strategies to improve the smooth running of business operations.^{√√}

- Reduce costs of redundancy in the long run. √√
- Quality circles discuss ways of improving the quality of work/workmanship. √√
- Contribute towards the improvement and development of the organisation. √√
- Reduce costs/wasteful efforts in the long run. √√
- Increase the demand for products/services of the business. √√
- Create harmony and high performance in the workplace. √√
- Build a healthy workplace relationship between the employer and employee. √√
- Improve employees' loyalty and commitment to the business and its goals. √√
- Improve employees' communication at all levels of the business. √√
- Develop a positive attitude/sense of involvement in decision making processes of the services offered. √√
- Any other relevant answer related to the importance of quality circles, as part of continuous improvement to processes and systems, on a business.

Max

(4)
[40]

BREAKDOWN OF MARKS

QUESTION 4	MARKS
4.1	6
4.2	6
4.3.1	2
4.3.2	6
4.4	2
4.5	8
4.6.1	6
4.6.2	4
TOTAL	40



SECTION C

SECTION C: Consists of TWO questions. Answer any ONE of the two questions in this section

TIPS ON HOW TO ANSWER SECTION C QUESTIONS

- Your answer should have: Introduction, Body and Conclusion

INTRODUCTION

- Introduction is based on the four bullets of the essay question
- Two sentences are expected on the introduction

BODY

- Answer all the FOUR bullets that are in the question.
- Your FOUR bullets are your Sub- heading and must be underlined
- Answers in full sentences
- Your answers must be in bullets not in paragraphs
- Use recent and relevant examples
- Do not repeat facts written in the Introduction in the Body

CONCLUSION

- One full sentence is expected on the Conclusion.
- Do not repeat facts from the Introduction and Body in your Conclusion

QUESTION 1: BUSINESS ENVIRONMENTS (LEGISLATION) (DBE SC/NSC /2020)

The Basic Conditions of Employment Act (BCEA), 1997 (Act 75 of 1997) was introduced to redress the imbalances of the past. The provisions of the BCEA protect employees and provide guidelines to employers on how they should comply with this Act. Businesses may face penalties for non-compliance with the BCEA.

Write an essay on the BCEA in which you include the following aspects:

- Outline the purpose of the BCEA.
- Explain the following provisions of this Act:
 - Annual leave
 - Hours of work/Work hours
 - Child and forced labour
- Discuss the impact of the BCEA on businesses.
- Advise businesses on penalties that they may face for non-compliance with this Act.

[40]

QUESTION 2: BUSINESS ENVIRONMENTS (LEGISLATION) (DBE EXEMPLAR SC/NSC /2020)

The Broad-Based Black Economic Empowerment Act (BBBEE), 2003 (Act 53 of 2003) (amended in 2013) was introduced to overcome the challenges of Black Economic Empowerment (BEE). Businesses are now compelled to comply with this Act.

You specialise in guiding businesses on the implementation of BBBEE. Write an essay on the following aspects:

- Distinguish between BEE and BBBEE.
- Evaluate the impact of BBBEE on businesses.
- Discuss the implications of the following BBBEE pillars on businesses:
 - Management control
 - Ownership

- Enterprise and supplier development
- Advise businesses on penalties they could face for non-compliance with the BBBEE.

[40]

QUESTION 3: BUSINESS ENVIRONMENT (BUSINESS STRATEGIES) (EC/SEPTEMBER 2020)

The business environments pose many challenges to business operations; therefore, it is important for businesses to use strategies to overcome these challenges. Businesses can also use the PESTLE analysis to understand these challenges better and to find ways in which businesses can deal with them. The evaluation of these strategies forms a vital part of the strategic management process.

Describe the THREE types of intensive strategies that businesses may use to address challenges in the macro environment.

- Discuss the advantages of diversification strategies.
- Explain how the following PESTLE elements/factors may pose challenges to businesses:
 - Social
 - Technological
 - Legal
- Advise businesses on the steps they should consider when evaluating strategies.

[40]

QUESTION 4 BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES) (NSC DBE/NOVEMBER 2019)

Businesses realise the importance of the strategic management process when devising suitable business strategies. Some businesses maintain that Porter's Five Forces model plays an important role in remaining competitive in the market environment.

Write an essay on business strategies in which you include the following aspects:

- Describe the strategic management process.
- Discuss the THREE types of defensive strategies that businesses may use to address challenges in the macro environment
- Explain how businesses could apply Porter's Five Forces model to analyse the market environment.
- Advise businesses on the steps they should consider when evaluating strategies.

[40]

QUESTION 5 BUSINESS ENVIRONMENTS (LEGISLATION) SCE/NSC JUNE DBE/2019)

The Employment Equity Act (EEA), 1998 (Act 55 of 1998) was introduced to promote equity in the workplace. Businesses are obliged to comply with the requirements of the Act or face penalties for non-compliance

As an expert on recent legislation, write an essay on the following EEA aspects:

- Outline the purpose of the Employment Equity Act.
- Discuss the impact of this Act on businesses.
- Advise businesses on the consequences/penalties they may face for not complying with the EEA.
- Suggest practical ways in which businesses can comply with this Act.

[40]

QUESTION 6: BUSINESS ENVIRONMENTS (LEGISLATION) (DBE/NOVEMBER 2018)

Many consumers have welcomed the introduction of the Consumer Protection Act (CPA), 2008 (Act 68 of 2008) and the National Credit Act (NCA), 2005 (Act 34 of 2005) as they protect them against unfair business practices. Some businesses believe that the NCA reduces their market share and therefore they do not want to comply with this Act.

As an expert on recent legislation, write an essay on the following aspects:

- Outline the purpose of the CPA.
- Discuss the impact of the CPA on businesses.
- Recommend ways in which businesses could promote the following consumer rights, as stipulated in the CPA:
 - Right to privacy and confidentiality
 - Right to information about products and agreements
 - Right to fair value/good quality and safety
- Advise businesses on penalties/consequences that may be imposed for non-compliance with the NCA.

[40]

BUSINESS OPERATIONS

QUESTION 7: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION) (DBE SC/NSC /2020)

Delta Manufacturers has a vacancy for a sales executive. The human resources manager implemented the selection procedure after compiling a job analysis. Prospective candidates were invited for an interview. Fringe benefits were offered to the successful candidate.

Write an essay on the activities of the human resource function in which you include the following aspects:

- Outline the selection procedure as a human resource activity.
- Explain the TWO components of job analysis.
- Discuss the role of the interviewee during the interview.
- Evaluate the impact of fringe benefits on Delta Manufacturers as a business.

[40]

QUESTION 8: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE) (DBE EXEMPLAR SC/NSC /2020)

Businesses implement quality assurance in order to produce quality products. Some managers believe that this can be achieved by focusing on quality management and quality performance. Others argue that the purchasing function and the production function play an important role in implementing total quality management (TQM).

Write an in-depth analysis of the quality of performance by referring to the following aspects:

- Elaborate on the meaning of quality assurance.
- Distinguish between quality management and quality performance.
- Discuss the impact of the following elements of TQM on large businesses:
 - Total client/customer satisfaction
 - Adequate financing and capacity
- Suggest quality indicators for the purchasing function and the production function that businesses could use to remain competitive.

[40]

QUESTION 9: BUSINESS OPERATIONS (HUMAN RESOURCES) (EC/SEPTEMBER 2020)

Mega Consultants (MC) ensures that their selection process is well structured. The human resources manager has an important role to play in preparing for the interviewing of candidates. MC offers a comprehensive induction programme and also fringe benefits to new employees which impacts the business.

Write an essay on human resources in which you address the following aspects:

- Outline the selection procedure as a human resource activity.
- Explain the role of the interviewer before the interview.
- Discuss the advantages of induction for businesses.
- Evaluate the impact of fringe benefits on businesses.

[40]

QUESTION 10: BUSINESS OPERATIONS (TOTAL QUALITY MANAGEMENT)

(NSC DBE/NOVEMBER 2019)

Total quality management (TQM) enables businesses to strive for continuous growth and customer satisfaction. The effective implementation of TQM elements will enable businesses to keep abreast with changes and to reduce the cost of quality.

Outline the benefits of a good quality management system.

- Distinguish between quality control and quality assurance.
- Discuss the impact of the following elements of TQM on large businesses:
 - Total client/customer satisfaction
 - Continuous skills development
 - Adequate financing and capacity
- Suggest ways in which TQM can reduce the cost of quality.

[40]

QUESTION 11: BUSINESS OPERATIONS (HUMAN RESOURCES AND QUALITY OF PERFORMANCE) (SCE/NSC 2019)

Nizam Tiling is known for its quality products and services. They always ensure that their recruitment procedure is well structured. They offer attractive fringe benefits to their employees and continuously improve on their systems and processes. The production manager encourages employees to produce high quality products to keep customers satisfied.

Keeping the above scenario in mind, write an essay on human resources and quality of performance on the following aspects:

- Outline the recruitment procedure.
- Explain the impact of fringe benefits on businesses.
- Discuss the positive impact of continuous improvement to processes and systems on large businesses.
- Advise the production manager on the quality indicators of the production function.

[40]

QUESTION 12: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE) (DBE/NOVEMBER 2018)

Businesses implement quality assurance in order to produce quality products. Some managers believe that this can be achieved by focusing on quality management and quality performance. Others argue that the general management function and production function play an important role in implementing total quality management (TQM).

Give an in-depth analysis of quality of performance by referring to the following aspects:

- Elaborate on the meaning of quality assurance.
- Distinguish between quality management and quality performance.
- Suggest quality indicators of the general management function and the production function.
- Advise businesses on how TQM could impact on the reduction of the cost of quality.

[40]

SOLUTIONS TO SECTION C PAPER 1 QUESTIONS

BUSINESS ENVIRONMENT

QUESTION 1: BUSINESS ENVIRONMENTS (LEGISLATION) (DBE SC/NSC /2020)

1.1

Introduction

- The Basic Conditions of Employment Act informs the contract between the employer and employee as it provides the minimum conditions for employment. ✓
- This Act provides protection for employees so that they will not be exploited by the business. ✓
- BCEA provides guidelines for provisions to be adhered to by employers in the workplace. ✓
Penalties/Consequences for non-compliance encourage businesses to comply with this Act. ✓
- Any other relevant introduction related to the purpose/provisions/impact of the BCEA/penalties for non-compliance. **Any (2 x 1) (2)**

1.2

Purpose of the BCEA

- Provides clear terms and conditions of employment for employers and employees. ✓✓
- Sets minimum requirements/standards for the employment contract. ✓✓
- Regulates the right to fair labour practices as set out in the Constitution. ✓✓
- Adheres to the rules and regulations set out by the International Labour Organisation. ✓✓
- Regulates the variations of basic conditions of employment. ✓✓
- Advances economic development and social justice. ✓✓
- Any other relevant answer related to the purpose of the BCEA. **Max (10)**

1.3

Provisions of the BCEA

Annual leave

- Workers are entitled to 21 consecutive days annual leave per year or one day for every 17 days worked ✓, one hour for every 17 hours worked. ✓
- An employer can only pay a worker in lieu/instead of granting leave ✓ if that worker leaves the job/ terminates the employment contract. ✓
- Annual leave must be granted within six (6) months ✓ after the leave cycle ended. ✓
Any other relevant answer related to annual leave as a provision of the BCEA.

Submax (4)

Hours of work/Work hours

- Workers may not work for more than 45 hours ✓ in a week. ✓
- Workers may work nine hours a day ✓ if they work five days or less per week ✓
- Workers may work eight hours a day ✓ if they work more than five days a week. ✓

- Night work performed after 18:00 and before 06:00 the next day by agreement[√], must be compensated by allowance/reduction of work hours.[√]
- Ordinary work hours may be extended by agreement[√] by a maximum of 15 minutes per day/maximum of sixty minutes per week to complete duties when serving the public. [√]
- Ordinary work hours may be reduced[√] to a maximum of 40 hours per week/ 8 hours per day. [√]
- Any other relevant answer related to hours of work/work hours as a provision of the BCEA.

Sub-max (4)

Child and forced labour

- It is illegal to employ a child[√] younger than 15 years of age.[√]
- Businesses may employ children over the age of 15 years[√], if employment is not harmful to their health/well-being education/moral/ social development.[√]
- Children/Minors under 18 years of age[√] may not do dangerous work/work meant for an adult.[√]
- Forcing someone to work[√] is also illegal.[√]
- Any other relevant answer related to child and forced labour as a provision of the BCEA.

Sub-max (4)

Max (12)

1.4

Impact of the BCEA on businesses

Positives/Advantages

- Creates a framework[√] of acceptable employment practices e.g., work hours, leave, [√] etc.
- Promotes fair treatment[√] of employees in the workplace.[√]
- Encourages consultation[√] between employers and employees.[√]
- Outlines minimum requirements[√] that form the basis of employment contracts.[√]
- Work hours are specified[√] so that the employer cannot exploit employees.[√]
- The rules and regulations are very specific[√], which clearly guides the employer on how to deal with employment issues.[√]
- Employees are permitted to consult labour unions[√] in cases where the BCEA conditions are violated. [√]
- Employees may submit complaints[√] to labour inspectors who can address it. [√]
- Any other relevant answer related to the positive impact/advantages of the BCEA on businesses.

AND/OR

Negatives/Disadvantages

- Developing/Drafting a formal/legal employment contract[√] may be time-consuming/costly. [√]
- Businesses may regard employment contracts as negative and may not implement it[√], which results in non-compliance/penalties.[√]
- No employer may force an employee to work more than 45 hours in a week[√] as this may result in reduced productivity. [√]

- Hiring cheap labour is no longer possible[√], so businesses cannot exploit workers.[√]
- BCEA forces businesses to comply with many legal requirements[√], which may increase labour costs. [√]
- Businesses not complying with the Act, may be charged with high penalties[√], which may affect their cash flow negatively. [√]
- Businesses may consider the provisions of the BCEA as unimportant/an unnecessary administrative burden[√] that increase operating costs. [√]
- Any other relevant answer related to the negative impact/disadvantages of the BCEA on businesses.

Max (14)

1.5 Penalties for non-compliance to the BCEA

- Labour inspectors may serve a compliance order by writing to the Department of Labour.^{√√}
- The Director General may agree/change/cancel the compliance order.^{√√}
- Labour inspectors may investigate/inspect/ask questions about complaints and remove records as evidence.^{√√}
- Businesses may be taken to the labour court for a ruling.^{√√}
- Businesses that are found guilty of non-compliance may face heavy fines/penalties.^{√√}
- They can be ordered to pay compensation and damages to the employee.^{√√}
- Any other relevant answer related to penalties that businesses may face for non-compliance to the BCEA.

Max (10)

1.6 Conclusion

- The provisions of the BCEA enable the employer and employees to have a common understanding of acceptable business practices. ^{√√}
- Businesses should display employees' rights in terms of the BCEA in an area of the workplace where all employees can see it.^{√√}
- The Minister of Labour may make amendments to the BCEA regulations/provisions, this requires businesses to stay informed of the latest changes to the Act.^{√√}
- Businesses should strive to comply with the BCEA to avoid unnecessary penalties and negative publicity.^{√√}
- Any other relevant conclusion related to the purpose/provisions/impact of the BCEA/penalties for non-compliance.

Any (1 x 2)

**(2)
[40]**

QUESTION 1: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Provisions of BCEA	12	
○ Annual leave		
○ Hours of work/Work hours		
○ Child and forced labour		
Impact of Act on businesses	14	



Penalties for non-compliance with BCEA	10	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	8
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if some requirements are met.
 Allocate 0 marks where requirements are not met at all

QUESTION 2: BUSINESS ENVIRONMENTS (LEGISLATION) (DBE EXEMPLAR SC/NSC /2020)

2.1 **Introduction**

- BBBEE was introduced to bring the majority of the South Africans into the mainstream of the economy. ✓
 - BBBEE increased the number of black people that manage/own/control the economy. ✓
 - The BBBEE pillars enable the government to spread wealth across all population groups. ✓
 - Enterprise and supplier development enable large businesses to empower black owned businesses and suppliers. ✓
 - Businesses are obliged to comply with the requirements of the Act or face penalties for non-compliance. ✓
 - Any other relevant introduction related to BEE/BBBEE/impact of BBBEE/implications of BBBEE pillars on businesses/penalties for noncompliance with the BBBEE.
- Any (2 x 1)** (2)

2.2 **Distinction between BEE and BBBEE**

BLACK ECONOMIC EMPOWERMENT (BEE)	BROAD BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)
<ul style="list-style-type: none"> • It is a government policy ✓ which may not be enforced. ✓ 	<ul style="list-style-type: none"> • It is an Act ✓ that is enforced/must be complied with by businesses. ✓
<ul style="list-style-type: none"> • Benefits only a few previously disadvantaged people ✓ in the economy. ✓ 	<ul style="list-style-type: none"> • Encourages a wider group of previously disadvantaged people/black women/people who are physically challenged/youth/people in rural areas ✓ to participate in the economy. ✓
<ul style="list-style-type: none"> • Few previously disadvantaged individuals share in the wealth ✓ of the economy. ✓ 	<ul style="list-style-type: none"> • Aims to distributing the country's wealth ✓ across a broader spectrum of society. ✓

<ul style="list-style-type: none"> Focuses only on three pillars√ that did not include all previously disadvantaged people.√ 	<ul style="list-style-type: none"> Focuses on seven/five pillars√ which includes all sectors of the society, especially the previously disadvantaged.√
Any other relevant answer related to BEE.	Any other relevant answer related to BBEE.
Submax (4)	Submax (4)

- NOTE:**
- The answer does not have to be in tabular format.
 - The distinction does not have to link, but must be clear.
 - Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either BEE Or BBEE only.

Max

(8)

2.3

Impact of BBEE on businesses

Positives/Advantages

- Businesses that comply with BBEE regarding the pillars√ will be rated high on the BEE scorecard/may get government tenders/may attract other BBEE business partners/-suppliers. √
 - Encourages businesses to address the demands√ for redress/ equity directly. √
 - Provides a variety of business codes√ to improve employment equity. √
 - Provides for human resources development√ through training and development. √
 - Promotes enterprise development√, by developing entrepreneurial skills of designated people to start their own businesses. √
 - Businesses will have a good overview on how it is performing√ in comparison to other businesses in the rest of the country. √
 - A good BBEE rating√ will improve the image of the business. √
 - By focusing on BBEE, the business will show commitment√ towards the social/education/economic developments in the community/country. √
 - Once rated, the business will understand how to develop BBEE strategies√ that will increase its BBEE ratings on an annual basis. √
 - Fronting is discouraged√, as it may lead to the disqualification of a business's entire scorecard/BBEE status. √
 - Share prices of BBEE compliant businesses are likely to increase√ as they attract more business. √
 - Businesses that support Small, Micro, Medium Enterprises (SMMEs)√, may increase their own BBEE ratings. √
 - Complying with BBEE requirements gives businesses experience/exposure√ to be able to provide better employment opportunities/staff development. √
- Any other relevant answer related to the positive impact/advantages of BBEE on businesses.

AND/OR



Negatives/Disadvantages

- Businesses have to go through the process of having their BBEE compliance measured/verified by an independent BEE verification agency. ✓
- Businesses that wish to do business with the government, must have their BEE status assessed annually. ✓
- Provides for preferential procurement, so certain businesses may be excluded from supplying goods/services. ✓
- Processes may lead to corruption/nepotism, if not monitored properly. ✓
- Many businesses have been disadvantaged due to BBEE ratings as they may not be able to meet all the scoring. ✓
- Processes and procedures may be costly for a business as there are many legal requirements for scoring enough points to be compliant. ✓
- Businesses could experience large financial implications/penalties if they do not comply with BBEE. ✓
- Businesses will have to spend money in areas covered by the seven/five BBEE pillars to obtain a good BBEE rating. ✓
- Investment/Ownership issues can cause unhappiness between existing shareholders. ✓

Any other relevant answer related to the negative impact/disadvantages of BBEE on businesses.

Max

(10)

2.4 Implications of the BBEE pillars on businesses

2.4.1 Management control

- Business must ensure that transformation is implemented at all levels. ✓
- Appoint black people in senior executive positions/to management. ✓
- Involve black people in the decision-making processes. ✓
- Ensure that black females are represented in management. ✓
- Businesses score points in both management and ownership when selling more than 25 % of their shares to black investors so that some of them can become directors. ✓
- Due to a shortage of skilled black managers/directors, some businesses find it difficult to make appointments. ✓
- Businesses are directly penalised for not implementing this pillar. ✓
- Any other relevant answer related to the implication of management control as a BBEE pillar on businesses.

Submax

(6)

2.4.2 Ownership

- Business should include black people in shareholding/partnerships/franchises. ✓
- Exempted Micro Enterprises (EMEs) with an ownership of 50% or more of black people are promoted to level 3 of the BEE scorecard. ✓
- More opportunities are created for black people to become owners/entrepreneurs. ✓
- Encourage small black investors to invest in big companies and share ownership. ✓
- Large businesses should form joint ventures with small black owned businesses and share business risks. ✓

- Businesses sometimes find it difficult to locate suitable black business partners / shareholders.
- Many black people cannot afford shares in companies/contributions to partnerships.
- Any other relevant answer related to the implication of ownership as a BBBEE pillar on businesses.

Submax

(6)

2.4.3 **Enterprise and supplier development (ESD)**

- Business must create jobs as ESD promotes local manufacturing.
- Businesses are encouraged to invest/support black owned SMMEs.
- Contribution can be monetary, e.g. loans/investments/donations.
- Contribution can be non-monetary, e.g. consulting services/advice/entrepreneurial programmes, etc.
- SMMEs will be encouraged to use their own business initiatives to make them sustainable.
- Businesses are encouraged to invest/support black owned SMMEs.
- Outsource services to suppliers that are BBBEE compliant.
- Identify black owned suppliers that are able to supply goods and services.
- Develop the business skills of small/black owned suppliers, e.g. sales techniques, legal advice, etc.
- Support the cash flow of small suppliers by offering them preferential terms of payment. - Develop and implement a supplier development plan/supply chain.
- Small/Large businesses may not be able to afford enterprise development investment/support.
- Black owned SMMEs may become too reliant on support from other businesses/ unable to take their own initiatives.
- BBBEE suppliers may be without good workmanship.
- Smaller businesses that are not BBBEE compliant lose business.
- Businesses are forced to choose from a smaller pool of suppliers.
- Any other relevant answer related to the implication of enterprise and supplier development (ESD) as a BBBEE pillar on businesses.

Submax (6)

Max

(18)

2.5 **Penalties for non-compliance with BBBEE**

- Businesses may face imprisonment for non-compliance/fronting practices.
- The penalty could be a fine of up to 10% of the company's annual turnover.
- Government will cancel any contract awarded that was based on false information regarding its BBBEE status.
- A business can be banned from participating in government contracts for a period of 10 years.
- Business licenses may not be renewed and authorisations may not be issued.

- Businesses that fail to achieve at least a minimum 40% of compliance with ownership, skills development and new enterprise and supplier development will be automatically downgraded by one level. ✓✓
- Any other relevant answer related to penalties businesses could face for non-compliance with the BBEE.

Max (10)

2.6

Conclusion

- BBEE addresses and enhances the economic participation of previously disadvantaged people in the South African economy. ✓✓
- Businesses will have to spend money in the areas covered by the BBEE pillars to obtain a good rating. ✓✓
- A BEE scorecard is used to determine the BBEE status of a business. ✓✓
- Broad-Based Black Economic Empowerment (BBEE) creates opportunities for people who were previously excluded from participating in the South African economy. ✓✓
- Penalties for non-compliance may have a negative financial implication for businesses. ✓✓
- Any other relevant conclusion related to BBEE/impact of BBEE/implications of BBEE pillars on businesses/penalties for non-compliance with BBEE.

Any (1 x 2) (2) [40]

QUESTION 2: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Distinguish between BEE and BBEE	8	
Impact of BBEE on businesses	10	
Implications of: <ul style="list-style-type: none"> ○ Management control ○ Ownership • Enterprise and supplier development 	18	
Penalties for non-compliance	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

QUESTION 3: BUSINESS ENVIRONMENT (BUSINESS STRATEGIES)

EC/SEPTEMBER 2020)

3.1

Introduction

- Businesses should always conduct the strategic management process as they operate in a dynamic environment that pose many challenges. ✓
- The implementation of business strategies enables businesses to respond to challenges presented by business environments. ✓
- Diversification and intensive strategies enable businesses to remain sustainable in the market environment. ✓
- PESTLE analysis is used to identify and evaluate the factors in the external environment that can influence the business. ✓
- PESTLE analysis enables businesses to have a better understanding of the external environment and the industry in which it operates. ✓
- The effectiveness of business strategies must be evaluated so that best strategies are used to overcome challenges. ✓
- Any other relevant introduction related to intensive strategies/ diversification strategies/PESTLE/strategy evaluate

Any (2 x 1)

(2)

3.2

Types of intensive strategies

Market penetration ✓✓

- New products penetrate an existing market at a low price ✓, until it is well known to the customers and then the prices increase. ✓
- It is a growth strategy where businesses focus on selling existing products ✓ to existing markets. ✓
- Focuses on gaining a larger share of the market ✓ by reducing prices to increase sales/increasing advertising and promotion. ✓
- Any other relevant answer related to market penetration as a type of intensive strategy.

Type (2)
Description (2)
Sub-max. (4)

Market development ✓✓

- A process of exploring/finding/searching new markets ✓ for existing products. ✓
- - Businesses sell their existing products ✓ to new markets ✓/Involves targeting consumers in a potential market ✓ that is outside its normal target market. ✓
- Business must research ✓ the market it wants to enter. ✓
- They change the way the products are distributed ✓ to reach a different market. ✓
- Any other relevant answer related to market development as a type of intensive strategy.

Type (2)
Description (2)

Sub-max. (4)

Product development ✓✓

- Businesses generate new ideas ✓ and develop a new product or service. ✓
- The introduction of a new product or service ✓ into existing markets. ✓
- A business may need to acquire new technology ✓ to develop new products. ✓
- They improve/change the packaging of current products ✓ so that they look and seem different and appeal to the market. ✓
- Any other relevant answer related to product development as a type of intensive strategy.

Type (2)
Description (2)
Sub-max. (4)
(3 x 4) (12)

NOTE: Mark the first THREE (3) only.

3.3 **Advantages of diversification strategies**

- Increase sales ✓ and business growth. ✓
- Improves the business brand ✓ and image of the business. ✓
- Reduces the risk ✓ of relying only on one product. ✓
- More products can be sold to existing customers ✓ and additional more new markets can be established. ✓
- Businesses gain more technological capabilities ✓ through product modification. ✓
- Diversification into a number of industries or product line ✓ can help create a balance during economic fluctuations. ✓
- Business produces more output using less inputs ✓ as one factory may be used to manufacture more products. ✓
- Any other relevant answer related to the advantages of diversification strategies.

Max.

(8)

3.4 **PESTLE elements/factors posing challenges to businesses Social**

- Customers may not be able to afford products ✓ due to low-income levels/ high unemployment. ✓
- Businesses may not be conversant ✓ with the language of their customers. ✓
- Some customers may prefer to spend their money on medical bills ✓ for the treatment of chronic illnesses. ✓
- High crime rate may affect the trading hours of businesses ✓ resulting in decreased profit. ✓
- Any other relevant answer related to how the social factor as a PESTLE element may pose a challenge to businesses.

Sub-max

(6)



Technological

- Businesses may not keep up with/be aware ✓ of the latest technology. ✓
- Employees may not be skilled ✓ to operate/maintain new technology/equipment. ✓
- Businesses may not be able to afford ✓ new technology. ✓
- May not be able to cater for/afford ✓ online transactions/e-commerce. ✓
- Any other relevant answer related to how the technological factor as a PESTLE element may pose a challenge to businesses.

Sub-max. (6)

Legal

- Certain Acts may have a direct impact ✓ on a business, e.g. the CPA/BCEA. ✓
- Legal requirements for operating certain types of businesses ✓ are time-consuming. ✓
- High legal costs involved in obtaining a license/trade mark/patent ✓ may prevent some establishments. ✓
- Legalities of business contracts ✓ may limit business operations. ✓
- Any other relevant answer related to how the legal factor as a PESTLE element may pose a challenge to businesses.

Sub-max. (6)

Max (16)

3.4 Steps in evaluating a strategy

- Examine the underlying basis of a business strategy. ✓✓
- Look forward and backwards into the implementation process. ✓✓
- Compare the expected performance with the actual performance. ✓✓
- Measure the business performance in order to determine the reasons for deviations and analyse these reasons. ✓✓
- Take corrective action so that deviations may be corrected. ✓✓
- Set specific dates for control and follow up. ✓✓
- Draw up a table of the advantages and disadvantages of a strategy. ✓✓
- Decide on the desired outcome. ✓✓
- Consider the impact of the strategic implementation in the internal and external environments of the business. ✓✓
- Any other relevant answer related to steps that businesses should consider when evaluating strategies.

NOTE: Accept steps in any order.

Max. (10)

3.6 Conclusion

- The strategic management process enables businesses to stay ahead of competitors and increase their market share. ✓✓
- Businesses must develop/formulate or change their current strategies in order to remain competitive. ✓✓
- Businesses that apply the PESTLE analysis are able to respond quickly to the external pressures and adapt to them. ✓✓
- The implementation of diversification and intensive strategies may allow businesses to recover from unstable economic conditions. ✓✓
- Strategy evaluation enable businesses to keep abreast with changes in the business environments. ✓✓

- Any other relevant conclusion related to intensive strategies/diversification strategies/ PESTLE/strategy evaluation.

(Any 1 x 2)

(2)
[40]



QUESTION 3: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Types of intensive strategies	12	
Advantages of diversification strategies	8	
PESTLE elements/factors posing challenges to businesses: <ul style="list-style-type: none"> ○ Social ○ Technological ○ Legal 	16	
Steps in evaluating a strategy	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

QUESTION 4 BUSINESS ENVIRONMENTS (BUSINESS STRATEGIES) (NSC DBE/NOVEMBER 2019)

4.1

Introduction

- Businesses should always conduct the strategic management process as they operate in a dynamic environment that pose many challenges. ✓
- The implementation of business strategies enable businesses to respond to challenges presented by business environments. ✓
- Defensive strategies enable businesses to remain sustainable in the market environment. ✓
- Porter's Five Forces model is based on five important forces that will determine competitive power in the market environment of a business. ✓
- Porter's Five Forces model helps the business to understand both the strength of its current competitive position and the advantages of expanding. ✓
- The effectiveness of business strategies must be evaluated so that best strategies are used to overcome challenges. ✓

- Any other relevant introduction related to the strategic management process/defensive strategies/ Porter's Five Forces model/strategy evaluation. Any (2 x 1) (2)

4.2 **Strategic management process**

OPTION 1

- Have a clear vision, mission statement✓ and measurable/realistic objectives in place. ✓
- Identify opportunities/weaknesses/strengths/threats✓ by conducting environmental scanning/situational analysis. ✓
- Tools available for environmental scanning✓ may include a SWOT analysis/Porter's Five Forces model/PESTLE analysis/industrial analysis tools. ✓
- Formulate alternative strategies✓ to respond to business challenges.✓
- Develop (an) action plan(s) ✓, including the tasks to be done/deadlines to be met/resources to be procured ✓, etc.
- Organise the business resources✓ and motivate staff.✓
- Implement selected strategies✓ by communicating it to all stakeholders.✓
- Continuously evaluate/monitor/measure strategies✓ in order to take corrective action. ✓
- Any other relevant answer related to the strategic management process.

OR

OPTION 2

- Review✓ the vision statement.✓
- Analyse/Re-examine✓ mission statement.✓
- Conduct an environmental analysis✓ using models such as PESTLE/PORTER'S/SWOT.✓
- Formulate a strategy✓ such as a defensive/retrenchment strategy.✓
- Implement a strategy✓, using a template such as an action plan.✓
- Control/Evaluate/Monitor the implemented strategy✓ to identify gaps/deviations in implementation.✓
- Take corrective action✓ to ensure goals/objectives are met.✓
- Any other relevant answer related to the strategic management process.

NOTE: The steps may be in any order.

Max (8)

4.3 **Types of defensive strategies**

Divestiture/Divestment✓✓

- Disposing/Selling some assets/divisions✓ that are no longer profitable/productive.✓
- Selling off divisions/product lines✓ with slow growth potential.✓
- Decreasing the number of shareholders✓ by selling ownership.✓
- Paying off debts✓ by selling unproductive assets.✓
- Withdrawing their investment share✓ in another business (divesting).✓
- Any other relevant answer related to divestiture/divestment as a defensive strategy.



Strategy (2)
Discussion (2)
Sub max (4)

Liquidation✓✓

- Selling all assets to pay creditors[√] due to a lack of capital.[√]
- Selling the entire business[√] in order to pay shareholders a fair price for their shares.[√]
- Allowing creditors to apply for forced liquidation[√] in order to have their claims settled.[√]
- Any other relevant answer related to liquidation as a defensive strategy.

Strategy (2)
Discussion (2)
Sub max (4)

Retrenchment^{√√}

- Terminating the employment contracts of employees[√] for operational reasons.[√]
- Decreasing the number of product lines/Closing certain departments[√] may result in some workers becoming redundant.[√]
- Any other relevant answer related to retrenchment as a defensive strategy.

Strategy (2)
Discussion (2)
Sub max (4)

NOTE: Mark the first THREE (3) only.

Max (12)

4.4

Porter's Five Forces Model

Bargaining power of suppliers/Power of suppliers^{√√}

- Suppliers that deliver high quality product[√] may have power over the business.[√]
- Assess the power of the suppliers[√] in influencing prices.[√]
- The more powerful the suppliers[√], the less control the business has over them.[√]
- The smaller the number of suppliers[√], the more powerful they may be as the choice of suppliers may be limited.[√]
- Identify the kind of power suppliers' have[√] in terms of the quality of products /services/ reliability/ability to make prompt deliveries, [√] etc.
- Any other relevant answer related to how businesses could apply the bargaining power of suppliers/power of suppliers to analyse the market environment.

Strategy (2)
Discussion (2)
Sub max (4)

Bargaining power of buyers/Power of buyers^{√√}

- Assess how easy it is for buyers/customers[√] to drive prices down.[√]
- Determine the number of buyers/the importance of each buyer to the business[√] and the cost of switching to other products.[√]
- A few powerful buyers[√] are often able to dictate their terms to the business.[√]
- Buyers buying in bulk can bargain for prices[√] in their favour[√].
- If buyers can do without the business's products[√] then they have more power to determine the prices and terms of sale.[√]
- Conduct market research[√] to gather more information about its buyers.[√]

- Any other relevant answer related to how businesses could apply the bargaining power of buyers/power of buyers to analyse the market environment.

Strategy (2)
Discussion (2)
Sub max (4)

Threat/Barriers of new entrants to the market^{√√}

- If the barriers to enter the market are low[√], then it is easy for new businesses to enter the market/industry.[√]
- If the business is highly profitable, it will attract potential competitors[√] that want to benefit from high profits.[√]
- New competitors can quickly/easily enter the market[√], if it takes little time/money to enter the market.[√]
- If there are a few suppliers of a product/service but many buyers[√], it may be easy to enter the market.[√]
- Any other relevant answer related to how businesses could apply the threat/barriers of new entrants to the market to analyse the market environment.

Force (2)
Explanation (2)
Sub max (4)

Power of competitors/Competitive rivalry^{√√}

- Competitors selling the same/similar products/services[√] may have a greater impact on the market of the business.[√]
- If competitors have a unique product/service[√], then they will have greater power.[√]
- A business with many competitors in the same market[√] has very little power in their market.[√]
- Draw up a competitor's profile[√] so that they can determine their own strength as well as that of competitors.[√]
- Some businesses have necessary resources to start price wars[√] and continue selling at a loss until some/all competitors leave the market.[√]
- Any other relevant answer related to how businesses could apply the power of competitors/competitive rivalry to analyse the market environment.

Force (2)
Explanation (2)
Sub max (4)

Threat of substitution/substitutes^{√√}

- Establish whether the sellers of substitute products[√] have improved their product/sell lower quality goods at lower prices.[√]
- If the business's product can be easily substituted[√], it weakens the power of the business in the market.[√]
- If the business sells unique products[√] it will not be threatened by substitute products.[√]
- Assess if customers are using substitute products/services[√] and determine reasons for using substitutes.[√]
- Change/improve the design and quality[√] of their products to remain competitive.[√]

- Any other relevant answer related to how businesses could apply the threat of substitution/substitutes to analyse the market environment.

Force (2)
 Explanation (2)
 Sub max (4)
Max (16)

4.5 **Steps in evaluating a strategy**

- Examine the underlying basis of a business strategy.√√
- Look forward and backwards into the implementation process.√√
- Compare the expected performance with the actual performance.√√
- Measure the business performance in order to determine the reasons for deviations and analyse these reasons.√√
- Take corrective action so that deviations may be corrected.√√
- Set specific dates for control and follow up.√√
- Draw up a table of the advantages and disadvantages of a strategy.√√
- Decide on the desired outcome.√√
- Consider the impact of the strategic implementation in the internal and external environments of the business.√√
- Any other relevant answer related to steps that businesses should consider when evaluating strategies.

NOTE: Accept steps in any order.

Max (10)

4.6 **Conclusion**

- The strategic management process enables businesses to stay ahead of competitors and increase their market share. √√
- Businesses must develop/formulate or change their current strategies in order to remain competitive.√√
- The Porter's Five Forces model is useful for analysing the power of the business in order to effectively develop suitable strategies.√√
- The Porter's Five Forces model makes it possible for businesses to determine how to shift the power of the forces in their favour.√√
- The implementation of defensive strategies may allow businesses to recover from unstable economic conditions.√√
- Strategy evaluation enable businesses to keep abreast with changes in the business environments.√√
- Any other relevant conclusion related to the strategic management process/defensive strategies/Porter's Five Forces model/strategy evaluation.

Any (1 x 2)

(2)
[40]

QUESTION 4: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
The strategic management process	8	
Types of defensive strategies	16	
Application of Porter's Five Forces mode	16	
Strategy evaluation steps	10	



Conclusion	2	
INSIGHT		
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	8
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if some requirements are met.
 Allocate 0 marks where requirements are not met at all

QUESTION 5 BUSINESS ENVIRONMENTS (LEGISLATION) (SCE/NSC JUNE DBE/2019)

5.1

Introduction

- The Employment Equity Act (EEA) was introduced to redress the economic imbalances of the past.√
- The EEA applies to all employers, employees and people applying for jobs.√
- The aim of the Act is to ensure that transformation takes place in the workplace.√
- Labour inspectors have the power to issue compliance orders.√
- Employment policies and procedures must be aligned with the requirements of the Act.√
- Any other relevant introduction related to the purpose of the EEA/impact of EEA on businesses/consequences/penalties/practical ways in which businesses can comply with the EEA.

(2 x 1) (2)

5.2

Purpose of the Employment Equity Act

- The EEA allows employees who do the same work to be paid equally.√√
- Eliminates discrimination on grounds of gender/race/disability in the workplace.√√
- Promotes equal opportunity and fair treatment in the workplace.√√
- Protects employees from victimisation if they exercise the rights given to them by the EEA.√√
- Promotes diversity in the workplace by ensuring that people of diverse backgrounds are appointed√√
- Ensures equal representation in the workplace through the implementation of affirmative action.√√
- Ensures equal representation of all population groups in the workplace.√√
- Any other relevant answer related to the purpose of the EEA.

Max (10)

5.3

Impact of the EEA on businesses

Positives/Advantages

- Encourages consultation√ between employer and employees.√
- Motivates employees√ because the workforce is more diverse/representative/inclusive.√



- Creates a framework√ of acceptable employment practices/affirmative action measures.√
- Prevents unfair discrimination/discriminatory appointments√ as it ensures that the workforce represents the demographics of the country/promotes diversity in the workplace.√
- Motivates employees√ because everyone has the same employment opportunities.√
- Appointment process is clearly defined√, so all parties are well informed.√
- Promotes the implementation of affirmative action measures√ to redress the imbalance in employment.√
- Businesses are in a better position√ to negotiate contracts with the government.√
- Impacts positively√ on BEE ratings for businesses.√
- Any other relevant answer related to the positive impact/advantages of EEA on businesses.

AND/OR

Negatives/Disadvantages

- Increased administration burden√, as businesses must compile/submit employment equity reports every two years.√
- Expensive to train/employ someone√ who knows little about the Act.√
- Other groups may not respect the knowledge/skills/experience of an EEA appointment√ and may lead to conflict.√
- Fines/Penalties for non-compliant businesses√ may be expensive for the business.√
- Employers have to appoint one or more senior managers to ensure the implementation of the plan√, which increases salary expenditure.√
- Skilled people from designated groups may demand higher salaries√ which increase salary expenses.√
- Job hopping of skilled/trained EE appointees√ may increase staff turnover.√
- Diversity in the workplace√ may lead to conflict/unhappiness.√
- Businesses must submit a compliance certificate√ before they can conduct business with state businesses.√
- Businesses are sometimes pressurised to appoint an unsuitable person√ to meet EEA requirements.√
- Often positions go unfilled√ because there are no suitable EEA candidates.√
- Any other relevant answer related to the negative impact/disadvantages of the EEA on businesses.

Max (16)

5.4 Consequences/Penalties for non-compliance

- Labour inspectors may conduct onsite visits, to interview employees which can create a bad image for the business.√√
- A compliance order may be issued to businesses that do not comply with the EEA.√√
- Businesses may be brought before the Labour Court if compliance orders are not adhered to/no efforts made to reach targets.√√

- Labour inspectors may investigate/inspect/ask questions about complaints.√√
- Businesses may face heavy fines for non-compliance.√√
- They can be ordered to pay compensation and damages to the employee.√√
- Any other relevant answer related to the consequences/penalties for non-compliance with the EEA.

Max (8)

5.5

Practical ways in which businesses can comply with the EEA

- Businesses should guard against discriminatory appointments.√√
- Assess the racial composition of all employees, including senior management.√√
- Ensure that there is equal representation of all racial groups in every level of employment.√√
- Clearly define the appointment process, so that all parties are well informed.√√
- Ensure that diversity/inclusivity in the workplace is achieved.√√
- Prepare an employment equity plan in consultation with employees.√√
- Compile employment equity plans that indicate how they will implement affirmative action.√√
- Ensure that affirmative action measures promote diversity in the workplace.√√
- Implement the employment equity plan.√√
- Implement affirmative action measures to redress disadvantages experienced by designated groups/Accommodate people from different designated groups.√√
- Submit the employment equity plan to the Department of Labour.√√
- Assign one or more senior managers to ensure implementation and monitoring of the employment equity plan.√√
- Eliminate barriers that have an adverse impact on designated groups.√√
- Regularly report to the Department of Labour on progress in implementing the plan.√√
- Display a summary of the Act where employees can clearly see/have access to the document.√√
- Conduct medical/psychological tests fairly to employees/when deemed necessary.√√
- Ensure that the workplace represents the demographics of the country at all levels.√√
- Restructure/Analyse current employment policies/practices/procedures to accommodate designated groups.√√
- Retrain/Develop/Train designated groups through skills development programmes.√√
- Any other relevant answer related to practical ways in which businesses can comply with the EEA.

Max (12)

5.6

Conclusion

- The EEA does not only promote and regulate affirmative action, but also gives guidance in conducting a fair appointment process.√√

- Businesses can access the skills and expertise of previously disadvantaged individuals.√√
- Businesses should take necessary steps/put practical measures in place to promote equal opportunities in the workplace.√√
- Penalties for non-compliance may have a negative financial implication for businesses.√√
- Any other relevant conclusion related to the purpose of the EEA/impact of EEA on businesses/consequences/penalties/practical ways in which businesses can comply with the EEA.

Max (2)

[40]

QUESTION 5: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Purpose of the EEA	10	
Impact of EEA on businesses	16	
Consequences/Penalties for non-compliance	8	
Compliance with EEA	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

QUESTION 6: BUSINESS ENVIRONMENTS (LEGISLATION) (DBE/NOVEMBER 2018)

6.1 **Introduction**

- The CPA was introduced to redress the economic inequalities of the past.√
- CPA promotes/advances the social and economic welfare of consumers in South Africa.√
- The CPA applies to the promotion/sales of all goods and services.√
- The National Credit Act deals mainly with regulating consumer credit.√
- The reason for the establishment of the NCA was to curb the high levels of consumer debts.√
- The NCA allows consumers to make informed decisions before buying on credit.√
- Any relevant introduction related to the CPA and NCA.

(Any 2 x 1) (2)

6.2 **Purpose of the Consumer Protection Act**

- Promotes fair/accessible and sustainable places for people to sell their products.√√
- Establishes national standards to protect consumers.√√
- Provides guidelines for better consumer information and to prohibit unfair business practices.√√
- Promotes responsible consumer behaviour.√√
- Promotes consistent laws relating to consumer transaction and agreement.√√
- Establishes a National Consumer Commission (NCC).√√
- Ensures that consumers have access to information they need to make informed choices.√√
- Promotes the rights and full participation of historically disadvantaged individuals as consumers.√√
- Ensures that consumers are not misled/deceived by suppliers of goods/ services.√√
- Promotes consumer safety by protecting them from hazardous products/ services.√√
- Strengthens a culture of consumer rights and responsibilities.√√
- Empowers consumers to take legal action if their rights are not upheld.√√
- Protects consumers against contracts that include unfair terms which limit the liability of suppliers.√√
- Protects consumers against unscrupulous businesses such as fly-by-night franchisors.√√
- Allows for consumers and businesses to resolve disputes fairly/effectively.√√
- Any other relevant answer related to the purpose of the Consumer Protection Act.

Max (10)

6.3 Impact of CPA on businesses

6.3.1 Positives

- Enables businesses to resolve disputes fairly√ through the National Consumer Commission/Consumer Court/Industrial ombudsmen.√
- Businesses may build a good image√ when they ensure that consumer rights are not violated.√
- May gain consumer loyalty√, if they comply with CPA.√
- Businesses are less likely to have court cases against them√ for consumer rights violations.√
- Businesses may be protected√ if they are regarded as consumers.√
- They may be safeguarded√ from dishonest competitors.√
- Prevents larger businesses√ from undermining smaller ones.√
- Any other relevant answer related to the positive impact of CPA on businesses.

AND/OR

Negatives

- Businesses have to replace/repair faulty items/refund money√ if the fault occurs within six months after purchase.√
- Confidential business information√ may become available to competitors.√

- Consumers can take advantage of businesses[√] and return goods when it is not necessary to do so.[√]
- Processes and procedures required by CPA[√] can be expensive and time consuming.[√]
- Businesses may feel unnecessarily burdened[√] by legal processes.[√]
- Penalties for non-compliance[√] may be very high.[√]
- Staff need to be trained/Legal experts need to be consulted[√], which can increase costs.[√]
- Many business documents need to be simplified/revamped at extra cost[√], as consumers have a right to receive contracts in simple/understandable language.[√]
- Administration costs increase[√], as legal contracts need to be worded in plain language/pitched at the level of the consumer.[√]
- Businesses may need insurance[√] against claims from consumers[√]/Provisions in the Act increase the risks[√] for unforeseen claims and law suits.[√]
- Supply chain management in stock levels will have to change[√], as defective goods have to be replaced within six months at the request of the customer.[√]
- Information technology systems need to be improved[√] as the retailer must keep more detailed records of interactions with consumers/be able to report to the National Consumer Commission.[√]
- Any other relevant answer related to the negative impact of CPA on businesses.

NOTE: Allocate marks for positives and/or negatives.

Max (12)

6.4 Consumer rights

6.4.1 Right to privacy and confidentiality

- Businesses should allow consumers to exercise the right to:
 - stop/restrict unwanted direct marketing.^{√√}
 - object to unwanted promotional e-mails/telesales.^{√√}
 - lodge complaints about the sharing of their personal details.^{√√}
- Any other relevant answer related to the consumer's right to privacy and confidentiality.

Sub max (6)

6.4.2 Right to information about products and agreements

- **Business should ensure that:**
 - contracts and agreements are in plain language and easy to understand.^{√√}
 - display prices which are fully inclusive disclosing all costs.^{√√}
 - consumers are allowed to request the unit and bulk price of the same product.^{√√}
 - consumers pay the lower price, if two prices for the same product are displayed.^{√√}
 - the labelling products and trade descriptions/^{relevant information is correct.}^{√√}
- Any other relevant answer related to the consumer's right to information about product and agreements.

Sub max (6)

6.4.3 **Right to fair value/good quality and safety**

- Business should allow consumers a right to:
 - demand quality service or goods.√√
 - return faulty items if the fault occurs within six months after purchasing the item.√√
 - receive an implied warranty or a written warranty.√√
 - reject goods that are not the same as the sample marketed.√√
 - cancel/renew fixed-term agreements.√√
 - to be informed about hazardous/dangerous products.√√
- Any other relevant answer related to the consumer's right to fair value/good quality and safety.



Sub max (6)

Max (18)

6.5 **Penalties/consequences for non-compliance with the NCA**

- The court may declare the granting of credit by the business reckless and may order consumers not to repay the credit/or part thereof to the business.√√
- The business may not demand payment, sue or attach the clients/consumers salaries/assets.√√
- The business may not charge any fee/interest/other charges under that specific credit agreement.√√
- The National Credit Regulator may impose a fine/penalty on the business for non-compliance.√√
- The business will bear all costs of removing the negative information of clients/ consumers who were blacklisted as a result of reckless lending.√√
- Any other relevant answer related to the penalties/consequences or non-compliance with the NCA.

Max (6)

6.6 **Conclusion**

- The CPA forces both businesses and consumers to act responsibly when doing business.√√
- The CPA applies to every transaction involving buying and selling of goods and services.√√
- The NCA promotes/allows responsible lending by businesses and eliminates reckless borrowing by consumers.√√
- Businesses who grant credit recklessly may be deregistered as an accredited service provider.√√
- Any other relevant conclusion related to CPA and NCA.

(Any 1 x 2) (2)

[40]

QUESTION 6: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max
Purpose of CPA	10	
Impact of CPA on businesses	12	
Rights of consumers	18	



/consequences for non-compliance with the NCA	6	32
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if some requirements are met.
 Allocate 0 marks where requirements are not met at all

BUSINESS OPERATIONS

QUESTION 7: BUSINESS OPERATIONS (HUMAN RESOURCES FUNCTION)

(DBE SC/NSC /2020)

7.1 Introduction

- The human resources manager is responsible for selecting and appointing competent and skilled employees. ✓
- A job analysis assists businesses in identifying the details of the vacancy and of the candidate. ✓
- The human resources manager should be able to appoint the best candidate if the interviewing process is properly conducted. ✓
- Fringe benefits are offered to employees regardless of regular wages/salaries. ✓
- Any other relevant introduction related to the selection procedure/components of job analysis/role of the interviewee during the interview/impact of fringe benefits on a business.

Any (2 x 1) (2)

7.2 Selection procedure

OPTION 1

- Determine fair assessment criteria on which selection will be based. ✓✓
- Applicants must submit the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications ✓✓, etc.
- Sort the received documents/CVs according to the assessment/selection criteria. ✓✓
- Screen/Determine which applications meet the minimum job requirements and separate these from the rest. ✓✓
- Preliminary interviews are conducted if many suitable applications were received. ✓✓
- Reference checks should be made to verify the content of CVs, e.g. contact previous employers to check work experience. ✓✓
- Compile a shortlist of potential candidate's identified ✓✓
- Shortlisted candidates may be subjected to various types of selection tests e.g. skills tests, ✓✓ etc.
- Invite shortlisted candidates for an interview. ✓✓
- A written offer is made to the selected candidate. ✓✓

- Inform unsuccessful applicants about the outcome of their application./Some adverts indicate the deadline for informing only successful candidates.√√
- Any other relevant answer related to the selection procedure as a human resource activity.

OR

OPTION 2

- Receive documentation, e.g. application forms and sort it according to the criteria of the job.√√
- Evaluate CVs and create a shortlist/Screen the applicants.√√
- Check information in the CVs and contact references.√√
- Conduct preliminary sifting interviews to identify applicants who are not suitable for the job, although they meet all requirements.√√
- Assess/Test candidates who have applied for senior positions/to ensure the best candidate is chosen.√√
- Conduct interviews with shortlisted candidates. √√
- Offer employment in writing to the selected candidate(s). √√
- Any other relevant answer related to the selection procedure as a human resource activity.

NOTE: The procedure may be in any order.

Max (12)

7.3

Components of job analysis

Job description√√

- Describes the duties/responsibilities √ of a specific job√.
- Written description of the job√ and its requirements√/Summary√ of the nature/type of the job. √
- Describes key performance areas/tasks for a specific job. √ e.g. job title/working conditions/relationship of the job with other jobs in the business. √
- Any other relevant answer related to job description as a component of job analysis.

Component (2)
Explanation (4)
Submax (6)

Job specification√√

- Describes the minimum acceptable personal qualities/skills/qualifications√ needed for the job.√
 - Written description of specific qualifications/skills/experience√ needed for the job. √
 - Describes key requirements for the person who will fill the position, √ e.g. formal qualifications/willingness to travel/work unusual hours, √
- Any other relevant answer related to job specification as a component of job analysis.

Component (2)
Explanation (4)
Submax (6)

NOTE: Mark the first TWO (2) only.

Max (12)

7.4 **Role of the interviewee during the interview**

- Greet the interviewer by name✓ with a solid handshake and a friendly smile.✓
- Listen carefully to the questions✓ before responding.✓
- Make eye contact✓ and have good posture/body language.✓
- Show confidence✓ and have a positive attitude/be assertive.✓
- Be inquisitive✓ and show interest in the business.✓
- Ask clarity✓ seeking questions.✓
- Show respect✓ and treat the interview with its due importance.✓
- Be honest about mistakes✓ and explain how you dealt with it.✓
- Know your strengths and weaknesses✓ and be prepared to discuss it. ✓
- Thank the interviewer for the opportunity given✓ to be part of the interview. ✓
- Any other relevant answer related to role of the interviewee during the interview.

Max (10)

7.5 **Impact of fringe benefits on a business**

Positives/Advantages

- Attractive fringe benefit packages✓ may result in higher employee retention/reduces employee turnover. ✓
- Attracts qualified/skilled/experienced employees✓ who may positively contribute towards the business goals/objectives. ✓
- Improves productivity✓ resulting in higher profitability. ✓
- It increases employee satisfaction/loyalty✓ as they may be willing to go the extra mile. ✓
- Delta Manufacturers save money✓ as benefits are tax deductible. ✓
- Fringe benefits can be used as leverage✓ for salary negotiations. ✓
- Any other relevant answer related to the positive impact/advantages of fringe benefits on Delta Manufacturers/a business.

AND/OR

Negatives/Disadvantages

- A business which cannot offer fringe benefits✓ fails to attract skilled workers. ✓
- A business which offers employees different benefit plans may create resentment✓ to those who receive less benefit resulting in lower productivity. ✓
- It can create conflict/lead to corruption✓ if allocated unfairly. ✓
- Fringe benefits are additional costs✓ that may result in cash flow problems. ✓
- Decreases business profits✓, as incentive/package/remuneration costs are higher. ✓
- Administrative costs increase✓ as benefits need to be correctly recorded for tax purposes. ✓
- Workers only stay with the business for fringe benefits✓, and may not be committed/loyal to the tasks/business. ✓
- Delta Manufacturers has to pay advisors/attorneys✓ to help them create benefit plans that comply with legislation. ✓

- Errors in benefit plans[√] may lead to costly lawsuits/regulatory fines. [√]
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on Delta Manufacturers/a business.

Max (12)

7.6 **Conclusion**

- A clear job analysis enables the human resources manager to select the best candidate from those who apply for the job.^{√√}
- The goal and objectives of businesses cannot be achieved without qualified and skilled employees.^{√√}
- A well-organised interview process will result in identifying and appointing the most suitable and deserving candidate. ^{√√}
- Offering fringe benefits is a great way to motivate employees to work hard towards achieving business goals. ^{√√}
- Any other relevant conclusion related to the selection procedure/components of job analysis/role of the interviewee during the interview/impact of fringe benefits on a business.

Any (1 x 2) (2)

[40]

QUESTION 7: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Selection procedure	12	
Components of job analysis: o Job description o Job specification	12	
Role of interviewee during the interview	10	
Impact of fringe benefits	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL MARKS		40

LASO – For each component:
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if some requirements are met.
 Allocate 0 marks where requirements are not met at all

QUESTION 8: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE) (DBE EXEMPLAR SC/NSC /2020)

8.1 **Introduction**

- Quality is the ability of a product/service to satisfy specific needs of consumers. [√]

- Businesses must quality assure manufactured goods throughout the production cycle. ✓
- Quality management should not just be an inspection process, but become part of the culture of the business. ✓
- Total quality relates to products that totally satisfy consumers' needs and expectations in every respect on a continuous basis. ✓
- The production function depends on the quality of raw material that are bought by the purchasing function in order to produce good quality products. ✓
- The rationale behind the implementation of TQM elements is to ensure that businesses do things right the first time. ✓
- TQM helps to design, produce/provide quality products at a lower cost. ✓
Any other relevant introduction related to quality assurance/quality management/quality performance/total client/customer satisfaction/adequate financing and capacity/quality indicators of the purchasing function/production function.

(2)

Any (2 x 1)

8.2 Meaning of quality assurance

- Checks carried out during ✓ and after the production process. ✓
- Ensure that required standards ✓ have been met at every stage of the process. ✓
- Processes put in place to ensure that the quality of products/services/systems adhere to pre-set standards ✓ with minimal defects/delays/short-comings. ✓
- Ensuring that every process is aimed to get the product 'right the first time' ✓ and prevent mistakes from happening. ✓
- Any other relevant answer related to the meaning of quality assurance.

Max

(6)

8.3 Distinction between quality management and quality performance

QUALITY MANAGEMENT	QUALITY PERFORMANCE
<ul style="list-style-type: none"> • Techniques/tools ✓ used to design/improve the quality of a product. ✓ 	<ul style="list-style-type: none"> • Total performance of each department measured ✓ against the specified standards. ✓
<ul style="list-style-type: none"> • Can be used for accountability ✓ within each of the business functions. ✓ 	<ul style="list-style-type: none"> • Can be obtained if all departments work together ✓ towards the same quality standards. ✓
<ul style="list-style-type: none"> • Aims to ensure that the quality of goods/services ✓ is consistent ✓/Focuses on the means ✓ to achieve consistency. ✓ 	<ul style="list-style-type: none"> • Quality is measured through ✓ physical product/statistical output of processes/surveys of the users and/or buyers of goods/services. ✓
Any other relevant answer related to quality management.	Any other relevant answer related to quality performance.
Submax (4)	Submax (4)

NOTE: 1. The answer does not have to be in tabular format.

2. The distinction must be clear but does not have to be linked.

3. Award a maximum of FOUR (4) marks if the distinction is not

clear/Mark either quality management or quality performance only.

Max

(8)

8.4 **Impact of TQM elements on large businesses**

8.4.1 **Total client/customer satisfaction**

Positives/Advantages

- Large businesses use market research/customer surveys√ to measure/monitor customer satisfaction/analyse customers' needs. √
 - Continuously promote √ a positive company image. √
 - May achieve a state of total customer satisfaction√, if businesses follow sound business practices that incorporate all stakeholders. √
 - Strive to understand and fulfil customer expectations√ by aligning cross-functional teams across critical processes. √
 - Ensures that cross-functional teams understand its core competencies√ and develop/strengthen it. √
 - May lead to higher customer retention/loyalty√ and businesses may be able to charge higher prices. √
 - Large businesses may be able to gain access√ to the global market. √
 - May lead to increased√ competitiveness/profitability. √
- Any other relevant answer related to the positive impact/advantages of total client/customer satisfaction as a TQM element on large businesses.

AND/OR

Negatives/Disadvantages

- Employees who seldom come into contact with customers√ often do not have a clear idea of what will satisfy their needs. √
- Monopolistic companies have an increased bargaining power√ so they do not necessarily have to please customers. √
- Not all employees may be involved/ committed√ to total client/customer satisfaction. √
- Any other relevant answer related to the negative impact/disadvantages of total client/customer satisfaction as a TQM element on large businesses

Submax (8)

(16)

8.4.3 **Adequate financing and capacity**

Positives/ Advantages

- Large businesses have sufficient financing√ to test everything before implementing. √
 - They can afford to have systems in place√ to prevent errors in processes/defects in raw materials/products. √
 - Able to afford product research/market researchers√ to gather information. √
 - Can afford to purchase quality raw materials√ and equipment. √
- Any other relevant answer related to the positive impact/advantages of adequate financing and capacity as a TQM element on large businesses.

AND/OR

Negatives/Disadvantages

- If the demand for a business's product increases, orders begin coming in faster than expected√, the business may lack the capital required to fund the production of the stock to fill the orders. √

- These rapidly growing businesses can consume large amounts of capital as they try to balance normal operations and expansion. ✓
- Any other relevant answer related to the negative impact/disadvantages of adequate financing and capacity as a TQM element on large businesses.

Submax (8)

Max

(18)

8.5

Quality indicators of the purchasing function and production function

8.5.1

Quality indicators of the purchasing function

- Businesses should buy raw materials/products in bulk at lower prices. ✓✓
- Select reliable suppliers that render the best quality raw materials/capital goods at reasonable prices. ✓✓
- Place orders timeously and regular follow-ups to ensure that goods are delivered on time. ✓✓
- Effective co-ordination between purchasing and production departments so that purchasing staff understand the requirements of the production process. ✓✓
- Required quantities should be delivered at the right time and place. ✓✓
- Implement and maintain stock control systems to ensure the security of stock. ✓✓
- Maintain optimum stock levels to avoid overstocking/reduce out-dated stock. ✓✓
- Monitor and report on minimum stock levels to avoid stock-outs. ✓✓
- Effective use of storage space and maintain product quality while in storage. ✓✓
- Involve suppliers in strategic planning/product design/material selection/quality control process. ✓✓
- Ensure that there is no break in production due to stock shortages. ✓✓.
- Establish relationships with suppliers so that they are in alignment with the business's vision/mission/values. ✓✓
- Have a thorough understanding of supply chain management. ✓✓
- Any other relevant answer related to the quality indicators of the purchasing function that businesses could use to remain competitive.

Submax (8)

8.5.2

Quality indicators of the production function

- Provide high quality services/products according to specifications. ✓✓
- The production/operating processes of a business should be done correctly through proper production planning and control. ✓✓
- Products and services should be produced at the lowest possible cost to allow for profit maximisation. ✓✓
- Businesses should clearly communicate the roles and responsibilities to the production workforce. ✓✓
- Products must meet customers' requirements by being safe, reliable and durable. ✓✓
- Businesses should have good after-sales services and warranties. ✓✓
- Empower workers so that they can take pride in their workmanship. ✓✓

- Get accreditation from the SABS/ISO 9001 to ensure that quality products are being produced. ✓✓
- Specify the product or service standards and take note of the factors that consumers use to judge quality. ✓✓
- Monitor processes and find the root causes of production problems. ✓✓
- Implement quality control systems to ensure that quality building products are consistently being produced. ✓✓
- Utilise machines and equipment optimally. ✓✓
- Accurately calculate the production costs. ✓✓
- Select the appropriate production system e.g. mass/batch/jobbing. ✓✓
- Any other relevant answer related to the quality indicators of the production function that businesses could use to remain competitive.

Submax (8)
Max

(16)


8.6 Conclusion

- Quality is important to a business to be sustainable. ✓✓
 - Quality management and performance in all business functions/departments are necessary as it contribute to business success. ✓✓
 - Every business should have a quality management system that ensure that all systems and processes are carried out correctly and safely. ✓✓
 - It is important that businesses have a proper system for managing quality, e.g. TQM which will reduce cost and increase profits. ✓✓
 - The purchasing function and the production function should always work together in ensuring the quality of product is constantly improved. ✓✓
- Any other relevant conclusion related to quality assurance/quality management/quality performance/total client/customer satisfaction/adequate financing and capacity/quality indicators of the purchasing function/production function.

Any (1 x 2)

(2)
[40]

QUESTION 8: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of quality assurance	6	
Distinction between quality management and quality performance	8	
Impact of TQM elements on large businesses: <ul style="list-style-type: none"> ○ Total client/customer satisfaction ○ Adequate financing and capacity 	 16	



Quality indicators of the purchasing function and the production function.	16	
Conclusion	2	
INSIGHT		
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	8
Originality/Examples	2	
TOTAL		40

LASO – For each component:
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if some requirements are met.
 Allocate 0 marks where requirements are not met at all

QUESTION 9: BUSINESS OPERATIONS (HUMAN RESOURCES)

(EC/SEPTEMBER 2020)

9.1 Introduction

- The human resources manager (HRM) is responsible for selecting and appointing competent and skilled employees. ✓
- The HRM can appoint the best candidate if the selection and interviewing procedures are properly applied. ✓
- The aim of induction is to introduce the new employee to the job/the new environment. ✓
- Some businesses offer fringe benefits in addition to the salaries to employees. ✓
- Any other relevant introduction related to selection procedure/roles of the interviewer when preparing for an interview/ advantages of induction/ impact of fringe benefits. (Any 2 x 1) (2)

9.2 Selection procedure

OPTION 1

- Businesses should determine fair assessment criteria on which selection will be based. ✓✓
- Use the assessment criteria to assess all CVs/application forms received during recruitment/preliminary screening is done by sorting the applications received according to the criteria for the job. ✓✓
- Check that applicants have not submitted false documents such as forged certificates/degrees. ✓✓
- Make a preliminary list of all applicants who qualify for the post. ✓✓
- Screen and check references, e.g. check applicants' criminal records/credit history/social media ✓✓, etc.
- Conduct preliminary interviews to identify suitable applicants. ✓✓
- Inform all applicants about the outcome of the application. ✓✓
- Compile a shortlist of approximately five people. ✓✓
- Invite the shortlisted applicants/candidates for an interview. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests, e.g. skills test. ✓✓

- A written offer is made to the chosen candidate. ✓✓
- Any other relevant answer related to the selection procedure/steps as an activity of the human resources function.

OR

OPTION 2

- Receive documentation, e.g. application forms and sort it according to the criteria of the job. ✓✓
- Evaluate CVs and create a shortlist/Screen the applicants. ✓✓
- Check information in the CVs and contact references. ✓✓
- Conduct preliminary sifting interviews to identify applicants who are not suitable for the job, although they meet all requirements. ✓✓
- Assess/Test candidates who have applied for senior positions/to ensure the best candidate is chosen. ✓✓
- Conduct interviews with shortlisted candidates. ✓✓
- Offer employment in writing to the selected candidate(s). ✓✓
- Any other relevant answer related to the selection procedure/steps as an activity of the human resources function.

NOTE: Accept the procedure/steps in any order.

Max.

(10)

9.3

Roles of the interviewer when preparing for an interview

- The interviewer should develop a core set of questions ✓ based on the skills/knowledge/ability required. ✓
- Check the application/verify the CV of every candidate ✓ for anything that may need to be explained. ✓
- Book and prepare the venue ✓ for the interview. ✓
- Set the interview date ✓/Ensure that all interviews take place on the same date, if possible. ✓
- Inform all shortlisted candidates about the date ✓ and place of the interview. ✓
- Notify all panel members conducting the interview about the date ✓ and place of the interview. ✓
- Allocate the same amount of time ✓ to interview each candidate on the program. ✓
- Any other relevant answer related to roles of the interviewer when preparing for an interview.

Max.

(12)

9.4

Advantages of an induction programme for businesses

- Increases quality ✓ of performance/productivity. ✓
- Allows new employees to settle in quickly ✓ and work effectively. ✓
- Ensures that new employees understand rules ✓ and restrictions in the business. ✓
- New employees may establish relationships ✓ with fellow employees at different levels. ✓
- Employees will be familiar with organisational structures ✓, e.g. who are their supervisors/low level manager. ✓
- Make new employees feel at ease in the workplace ✓, which reduces anxiety/ insecurity/fear. ✓

- New employees will understand their role/responsibilities ✓ concerning safety regulations and rules. ✓
- Minimises/Decreases the need ✓ for on-going training and development. ✓
- The results obtained during the induction process ✓ provide a base for focussed training. ✓
- Opportunities are created for new employees to experience/explore ✓ different departments. ✓
- New employees will know the layout of the building/factory/offices/ where everything is ✓, which saves production time. ✓
- Learn more about the business so that new employees understand their roles/responsibilities ✓ in order to be more efficient. ✓
- Company policies are communicated ✓, regarding conduct and procedures/safety and security/employment contract/conditions of employment/working hours/leave. ✓
- Realistic expectations for new employees ✓ as well as the business are created. ✓
- New employees may feel part of the team ✓ resulting in positive morale and motivation. ✓
- Employees may have a better understanding of business policies ✓ regarding ethical/professional conduct/procedures/CSR, etc. ✓
- Any other relevant answer related to the advantages of an induction programme for businesses.

Max. (14)

9.5 Impact of fringe benefits on businesses

Positives/Advantages

- Attractive fringe benefit packages ✓ may result in higher employee retention/reduces employee turnover. ✓
- Attracts qualified/skilled/experienced employees ✓ who may positively contribute towards the business goals/objectives. ✓
- It increases employee satisfaction/loyalty ✓ as they may be willing to go the extra mile. ✓
- Improves productivity ✓ resulting in higher profitability. ✓
- Businesses save money ✓ as benefits are tax deductible. ✓
- Fringe benefits can be used as leverage ✓ for salary negotiations. ✓
- Any other relevant answer related to the positive impact/advantages of fringe benefits on businesses.

AND/OR

Negatives/Disadvantages

- Fringe benefits are additional costs ✓ that may result in cash flow problems. ✓
- Administrative costs increase ✓ as benefits need to be correctly recorded for tax purposes. ✓
- Decreases business profits, ✓ as incentive/package/remuneration costs are higher. ✓
- It can create conflict/lead to corruption ✓ if allocated unfairly. ✓
- Workers only stay with the business for fringe benefits, ✓ and may not be committed/loyal to the tasks/business. ✓

- Businesses who offer employees different benefit plans may create resentment ✓ among those who receive fewer benefits resulting in lower productivity. ✓
- Businesses who cannot offer fringe benefits ✓ fail to attract skilled workers.
- Businesses have to pay advisors/attorneys ✓ to help them create benefit plans that comply with legislation. ✓
- Errors in benefit plans ✓ may lead to costly lawsuits/regulatory fines. ✓
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses.

Max. (10)

9.6 Conclusion

- The goals and objectives of businesses cannot be achieved without qualified and skilled employees. ✓✓
- Businesses should have suitable/effective selection procedure in place. ✓✓
- Employees are the most important resource in any business and its success is strongly influenced by a good selection process which includes a fair and well-planned interview. ✓✓
- A well prepared and organised interview process will result in identifying and appointing the most suitable and deserving candidate. ✓✓
- A good induction programme enables new employees to have a basic understanding of what is expected in the new job/position. ✓✓
- Businesses should plan carefully for fringe benefits so that potential candidates can consider the advantages and disadvantages of joining the business. ✓✓
- Any other relevant conclusion related to selection procedure/roles of the interviewer when preparing for an interview/advantages of induction/impact of fringe benefits.

(Any 1 x 2) (2)

[40]

QUESTION 9: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Selection procedure	10	
Roles of the interviewer when preparing for an interview	12	
Advantages of an induction programme for businesses	14	
Impact of fringe benefits on businesses	10	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL		40

LASO – For each component:

Allocate 2 marks if all requirements are met.
 Allocate 1 mark if some requirements are met.
 Allocate 0 marks where requirements are not met at all

QUESTION 10: BUSINESS OPERATIONS (TOTAL QUALITY MANAGEMENT)

(NSC DBE/NOVEMBER 2019)

10.1 **Introduction**

- Businesses that implement quality concepts enjoy the benefit of good quality products and services. ✓
- Manufactured goods must be quality assured throughout the production cycle. ✓
- Total quality relates to products that totally satisfy consumers' needs and expectations in every respect on a continuous basis. ✓
- The rationale behind the implementation of TQM elements is to ensure that businesses do things right the first time. ✓
- TQM helps to design, produce/provide quality products at a lower cost. ✓
- Any other relevant introduction related to the benefits of a good quality management system/quality control/quality assurance/total client/customer satisfaction/continuous skills development/adequate financing and capacity/TQM reduction of the cost of quality.

Any (2 x 1) (2)

10.2 **Benefits of a good quality management system**

- Effective customer services are rendered, resulting in increased customer satisfaction. ✓✓
- Time and resources are used efficiently. ✓✓
- Productivity increases through proper time management/using high quality resources. ✓✓
- Products/Services are constantly improved resulting in increased levels of customer satisfaction. ✓✓
- Vision/Mission/Business goals may be achieved. ✓✓
- Business has a competitive advantage over its competitors. ✓✓
- Regular training will continuously improve the quality of employees' skills/knowledge. ✓✓
- Employers and employees will have a healthy working relationship resulting in happy/productive workers. ✓✓
- Increased market share/more customers improve profitability. ✓✓
- Improves business image as there are less defects/returns. ✓✓
- Any other relevant answer related to benefits of a good quality management system.

Max (12)

10.3 **Distinction between quality control and quality assurance**

QUALITY CONTROL	QUALITY ASSURANCE
-Inspection of the final product ✓ to ensure that it meets the required standards. ✓	-Inspection carried out during and after the production process ✓ to ensure that required standards have been met at every stage of the process. ✓

-Includes setting targets/measuring performance✓ and taking corrective measures.✓	-Ensures that every process is aimed at getting the product right the first time✓ and prevents mistakes from happening again.✓
-Checking raw materials/employees/machinery/workmanship/products✓ to ensure that high standards are maintained.✓	- The 'building in' of quality✓ as opposed to 'checking for' quality.✓
- Any other relevant answer related to quality control	- Any other relevant answer related to quality assurance
Sub max (4)	Sub max (4)

- NOTE: 1. The answer does not have to be in a tabular format**
2. The distinction does not have to link, but must be clear.
3. Award a maximum of FOUR (4) marks if the distinction is not clear/Mark either quality control or quality assurance only.
Max (8)

10.4 **Impact of TQM elements on a large business**

10.4.1 **Total client/customer satisfaction**

Positives/Advantages

- Large businesses uses market research/customer surveys✓ to measure/monitor customer satisfaction/analyse customers' needs.✓
- Continuously promote ✓ a positive company image.✓
- May achieve a state of total customer satisfaction✓, if businesses follow sound business practices that incorporate all stakeholders.✓
- Strive to understand and fulfil customer expectations✓ by aligning cross functional teams across critical processes.✓
- Ensures that cross-functional teams understand its core competencies✓ and develop/strengthen it.✓
- May lead to higher customer retention/loyalty✓ and businesses may be able to charge higher prices.✓
- Large businesses may be able to gain access✓ to the global market.✓
- May lead to increased✓ competitiveness/profitability.✓
- Any other relevant answer related to the positive impact /advantages of total client/customer satisfaction as a TQM element on large businesses.

AND/OR

Negatives/Disadvantages

- Employees who seldom come into contact with customers✓ often do not have a clear idea of what will satisfy their needs.✓
- Monopolistic companies have an increased bargaining power✓ so they do not necessarily have to please customers.✓
- Not all employees may be involved/ committed✓ to total client satisfaction.✓
- Any other relevant answer related to the negative impact /disadvantages of total client/customer satisfaction as a TQM element on large businesses.

Sub max (6)

10.4.2 **Continuous skills development**

Positives/Advantages

- Large businesses have a human resources department✓ dedicated to skills training and development.✓

- Human resources experts ensure that training programmes√ are relevant to increased customer satisfaction.√
- Ability to afford√ specialised/skilled employees.√
- Large businesses could conduct skills audits√ to establish the competency/education levels of staff performing work which could affect the quality of products/processes positively.√
- May be able to hire qualified trainers√ to train employees on a regular basis.√
- Any other relevant answer related to the positive impact /advantages of continuous skills development as a TQM element on large businesses.

AND/OR

Negatives/Disadvantages

- Poor communication systems in large businesses√ may prevent effective training from taking place.√
- Trained employees may leave for better jobs√ after they gained more skills.√
- De-motivates employees√, if they do not receive recognition for training.√
- Employees who specialise in narrowly defined jobs√ may become frustrated/ demotivated.√
- Employees may not be aware of the level of competency√ they should meet in order to achieve their targets.√
- It may be difficult to monitor/evaluate√ the effectiveness of training.√
- Any other relevant answer related to the negative impact /disadvantages of continuous skills development as a TQM element on large businesses.

Sub max (6)

10.4.3 Adequate financing and capacity

Positives/ Advantages

- Large businesses have sufficient financing√ to test everything before implementing.√
- They can afford to have systems in place√ to prevent errors in processes/defects in raw materials/products.√
- Able to afford product research/market researchers√ to gather information.√
- Can afford to purchase quality raw materials√ and equipment.√
- Any other relevant answer related to the positive impact /advantages of adequate financing and capacity as a TQM element on large businesses.

AND/OR

Negatives/ Disadvantages

- If the demand for company's product increases, orders begin coming in faster than expected√, and the company lacks the capital required to fund the production of the stock to fill the orders.√
- - These rapidly growing companies can consume large amounts of capital√ as they try to balance normal operations and expansion.√
- Any other relevant answer related to the negative impact/disadvantages of adequate financing and capacity as a TQM element on large businesses.

Sub max (6)

Max (16)

10.5 Ways in which TQM can reduce the cost of quality

- Introduce quality circles to discuss ways of improving the quality of work/workmanship.√√
- Schedule activities to eliminate duplication of tasks.√√
- Share responsibility for quality output amongst management and workers.√√
- Train employees at all levels, so that everyone understands their role in quality management.√√
- Develop work systems that empower employees to find new ways of improving quality.√√
- Work closely with suppliers to improve the quality of raw materials/inputs.√√
- Improve communication about quality challenges/deviations, so that everyone can learn from experience.√√
- Reduce investment on expensive, but ineffective inspection procedures in the production process.√√
- - Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns.√√
- Any other relevant answer related to ways in which TQM can reduce the cost of quality.

Max (10)


10.6 **Conclusion**

- Quality is important to a business to be sustainable.√√
- Quality control in all business departments is necessary as it contribute to business success.√√
- Every business should have a quality management system that ensure that all systems and processes are carried out correctly and safely.√√
- It is important that businesses have a proper system for managing quality, e.g. TQM which will reduce cost and increase profits.√√
- Any other relevant conclusion related to the benefits of a good quality management system/quality control/quality assurance/total client/customer satisfaction/continuous skills development/adequate financing and capacity/TQM reduction of the cost of quality.

Any (1 x 2) (2)

[40]

QUESTION 10: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Benefits of a good quality management system	12	
Distinction between quality control and quality assurance	8	
Impact of TQM elements on large businesses o Total client/customer satisfaction o Continuous skills development	 16	



o Adequate financing and capacity		
Ways in which TQM can reduce cost of quality	10	
Conclusion	2	
INSIGHT		
Layout	2	8
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

QUESTION 11: BUSINESS OPERATIONS (HUMAN RESOURCES AND QUALITY OF PERFORMANCE) (SCE/NSC 2019)

11.1

Introduction

- The objective of recruitment is to attract the best possible applicants with required skills/qualification/competency to fill vacancies.√
- Reliable recruitment procedures and systems should be in place to ensure that businesses achieve their goals.√
- Some businesses offer benefits in addition to their salaries.√
- Fringe benefits are either compulsory or non-compulsory.√
- Continuous improvement to processes and systems may ensure quality products/services.√
- The production manager should put systems in place to ensure that quality products are produced.√
- Any other relevant introduction related to recruitment/fringe benefits/continuous improvement to processes and systems/quality indicators of the production function. **(2 x 1) (2)**

11.2

Recruitment procedure

- The human resource manager (HRM) should evaluate the job/prepare a job analysis, that includes the job specification/job description/in order to identify recruitment needs.√√
- HRM should indicate the job specification/key performance areas to attract suitable candidates.√√
- Choose the method of recruitment, e.g. internal/external, to reach/target the suitable applicants/candidates.√√
- If the external recruitment is chosen, the relevant recruitment sources should be selected, e.g. recruitment agencies/tertiary institutions/newspapers, etc.√√
- Vacancies can be internally advertised via internal email/word of mouth/posters/staff notices.√√
- External recruitment should be considered if internal recruitment was unsuccessful.√√



- The advertisement should be prepared with the relevant information, e.g. the name of the company, contact details, contact person, etc.√√
- Place the advertisement in the selected media that will ensure that the best candidates apply.√√
- Any other relevant answer related to the recruitment procedure.

NOTE: The procedure may be in any order.

Max (12)

11.3 **Impact of fringe benefits on businesses**

Positives/Advantages

- Attractive fringe benefit packages√ may result in higher employee retention/reduces employee turnover.√
- Attracts qualified/skilled/experienced employees√ who may positively contribute towards the business goals/objectives.√
- It increases employee satisfaction/loyalty√ as they may be willing to go the extra mile.√
- Improves productivity√ resulting in higher profitability.√
- Businesses save money√ as benefits are tax deductible.√
- Fringe benefits can be used as leverage√ for salary negotiations.√
- Any other relevant answer related to the positive impact/advantages of fringe benefits on businesses.

AND/OR

Negatives/Disadvantages

- Fringe benefits are additional costs√ that may result in cash flow problems.√
- Administrative costs increase√ as benefits need to be correctly recorded for tax purposes.√
- Decreases business profits√, as incentive/package/remuneration costs are higher.√
- It can create conflict/lead to corruption√ if allocated unfairly.√
- Workers only stay with the business for fringe benefits√, and may not be committed/loyal to the tasks/business.√
- Businesses who offer employees different benefit plans may create resentment√ to those who receive less benefit resulting in lower productivity.√
- Businesses who cannot offer fringe benefits√ fail to attract skilled workers.√
- Businesses have to pay advisors/attorneys√ to help them create benefit plans that comply with the law.√
- Errors in benefit plans√ may lead to costly lawsuits/regulatory fines.√
- Any other relevant answer related to the negative impact/disadvantages of fringe benefits on businesses.

Max (12)

11.4 **Positive impact of continuous improvement to processes and systems on large businesses**

- Large businesses have more resources√ to check on quality performance in each unit/business function.√
- Enough capital resources are available for new equipment required√ to stay relevant to new developments.√

- Large businesses have a person dedicated to the improvement of systems and processes.
- Willing to take risk on/try new processes and systems because they are able to absorb the impact of losing money.
- They can afford to use the services of the quality circles to be competitive.
- Large businesses use the PDCA model to continuously plan/do/check/ act on new/revised processes and systems.
- Any other relevant answer related to the positive impact/advantages of continuous improvement to processes and systems on large businesses.

Max (10)

11.5 Quality indicators of the production function

- The production manager should provide high quality services according to specifications.
- The production/operating processes of a business is done through proper production planning and control.
- Products and services could be produced at the lowest possible cost to allow for profit maximisation.
- The production manager should communicate the roles and responsibilities to the production workers.
- Products meet customers' requirements by being safe, reliable and durable.
- The production manager should render good after-sales services/honour warranties.
- Get accreditation from the SABS/ISO 9001 to ensure that quality products are being produced.
- Specify the product or service standards and take note of the factors that consumers use to judge quality.
- Empower workers to take pride in their workmanship.
- Monitor processes and find the root causes of production problems.
- Implement quality control systems to ensure that quality products are consistently being produced.
- The production manager should ensure that machines and equipment are optimally utilised.
- Accurately calculate the production costs.
- Any other relevant answer related to the quality indicators of the production function.

Max (12)

11.6 Conclusion

- Businesses should have suitable/effective recruitment procedure in place.
- Businesses should plan carefully for fringe benefits so that potential candidates can consider the advantages and disadvantages of joining the business.
- Businesses need to set standards for their operations and continually improve those standards.
- The production function should produce goods and services according to set standards and specifications.

- Any other relevant conclusion related to recruitment/fringe benefits/continuous improvement to processes and systems/quality indicators of the production function. **Max (2)**

[40]



QUESTION 11: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Recruitment procedure	12	
Impact of fringe benefits	12	
Positive impact of continuous improvement processes and systems	10	
Quality indicators of the production function	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL		40

LASO – For each component:
 Allocate 2 marks if all requirements are met.
 Allocate 1 mark if some requirements are met.
 Allocate 0 marks where requirements are not met at all

QUESTION 12: BUSINESS OPERATIONS (QUALITY OF PERFORMANCE)

(DBE/NOVEMBER 2018)

12.1

Introduction

- Quality is the ability of a product/service to satisfy specific needs of consumers. ✓
- Manufactured goods must be quality assured throughout the production cycle. ✓
- Total quality relates to products that totally satisfy consumers' needs and expectations in every respect on a continuous basis. ✓
- Quality management should not just be an inspection process, but become part of the culture of the business. ✓
- The activities of all business functions must be properly managed to ensure that all departments adhere to the same quality standards. ✓
- TQM helps to design, produce /provide quality products at a lower cost. ✓
- Any other relevant introduction related to quality concepts/general management function/production function/impact of TQM on the reduction of the cost of quality.

(2x1) (2)

12.2

Meaning of quality assurance

- Checks carried out during ✓ and after the production process. ✓
- Ensure that required standards ✓ have been met at every stage of the process. ✓

- Processes put in place to ensure that the quality of products/services/systems adhere to pre-set standards✓ with minimal defects/delays/short-comings.✓
- Ensuring that every process is aimed to get the product 'right the first time'✓ and prevent mistakes from happening.✓
- Any other relevant answer related to the meaning of quality assurance.

Max (6)

12.3

Distinction between quality management and quality performance

QUALITY CONTROL	QUALITY ASSURANCE
- Techniques/tools✓ used to design/improve the quality of a product.✓	- Total performance of each department measured✓ against the specified standards.✓
- Can be used for accountability✓ within each of the business functions.✓	-Can be obtained if all departments work together✓ towards the same quality standards.✓
- Aims to ensure that the quality of goods/services✓ is consistent✓/Focuses on the means✓ to achieve consistency.✓	- Quality is measured✓ through physical product/statistical output of processes/surveys of the users and/or buyers of goods/services.✓
-Any other relevant answer related to quality management.	- Any other relevant answer related to quality performance.
Sub max (4)	Sub max (4)

- NOTE: 1. The answer does not have to be in tabular format,
 2. The distinction must be clear but does not have to be linked.
 3. Award a maximum of FOUR (4) marks if the distinction is not clear/ Mark either quality management or quality performance only.**

Max (8)

12.4

Business functions

12.4.1

Quality indicators of the general management function

- Develop/Implement/Monitor effective strategic plans.✓✓
- Efficient organisation/allocation of business resources to provide for the successful achievement of long-term and short-term plans.✓✓
- Structured standards and norms should be in place so that control mechanisms can be implemented.✓✓
- Learn about/understand changes in the business environment on an on-going basis.✓✓
- Effectively communicate shared vision, mission and values.✓✓
- Set direction and establish priorities for their business.✓✓
- Be prepared to set an example of the behaviour that is expected from employees in terms of ethics as well as productivity.✓✓
- Be proactive and always seeks to improve competitive advantage over competitors.✓✓
- Ensure that all departments/the business meet their deadlines/targets.✓✓
- Any other relevant answer related to the quality indicators of the general management function.

Sub max (10)

12.4.2 Quality indicators of the production function

- Provide high quality services/products according to specifications.√√
- The production/operating processes of a business should be done correctly through proper production planning and control.√√
- Products and services should be produced at the lowest possible cost to allow for profit maximisation.√√
- Businesses should clearly communicate the roles and responsibilities to the production workforce.√√
- Products must meet customers' requirements by being safe, reliable and durable.√√
- Businesses should have good after-sales services and warranties.√√
- Empower workers so that they can take pride in their workmanship.√√
- Get accreditation from the SABS/ISO 9001 to ensure that quality products are being produced.√√
- Specify the product or service standards and take note of the factors that consumers use to judge quality.√√
- Monitor processes and find the root causes of production problems.√√
- Implement quality control systems to ensure that quality building products are consistently being produced.√√
- Utilise machines and equipment optimally.√√
- Accurately calculate the production costs.√√
- Select the appropriate production system e.g. mass/batch/jobbing.√√
- Any other relevant answer related to the quality indicators of the production function.

Sub max (10)
Max (20)

12.5 Impact of TQM on the reduction of the cost of quality

- Introduce quality circles to discuss ways of improving the quality of work/workmanship.√√
- Schedule activities to eliminate duplication of tasks.√√
- Share responsibility for quality output amongst management and workers.√√
- Train employees at all levels, so that everyone understands their role in quality management.√√
- Develop work systems that empower employees to find new ways of improving quality.√√
- Work closely with suppliers to improve the quality of raw materials/inputs.√√
- - Improve communication about quality challenges/deviations, so that everyone can learn from experience.√√
- Reduce investment on expensive, but ineffective inspection procedures in the production process.√√
- Implement pro-active maintenance programmes for equipment/machinery to reduce/eliminate breakdowns.√√
- Any other relevant answer related to the impact of TQM on the reduction of the cost of quality.

Max (12)

12.6 Conclusion

- Quality is important for a business to be sustainable.√√
- Every business should have a quality management system that ensures that all systems and processes are carried out correctly and safely.√√
- - All the business functions contribute to the success or failure of a business and should therefore have quality controls.√√
- - It is important that businesses have a proper system for managing quality, e.g. TQM which will reduce cost and increase profits.√√
- Any other relevant conclusion related to quality concepts/general management function/production function/impact of TQM on the reduction of the cost of quality.

(1x2) (2)

[40]

QUESTION 12: BREAKDOWN OF MARK ALLOCATION

DETAILS	MAXIMUM	TOTAL
Introduction	2	Max 32
Meaning of quality assurance	6	
Distinction between quality management and quality performance.	8	
Quality indicators of the general management and production functions	20	
How TQM can reduce cost of quality	12	
Conclusion	2	
INSIGHT		8
Layout	2	
Analysis/Interpretation	2	
Synthesis	2	
Originality/Examples	2	
TOTAL		40

LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if some requirements are met.

Allocate 0 marks where requirements are not met at all

